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HUMAN RESOURCES

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LABOR

ECONOMIC MECHANISM, IMPROVEMENT OF LABOR MANAGEMENT EXAMINED

Moscow SOTSIALISTICHESKIY TRUD in Russian 6 Jun 80 pp 7-22

[Article by B. Sukharevskiy: The Economic Mechanism and Improvement of Labor Administration"¹]

[Text] One of the special features of the decree adopted by the CPSU Central Committee and the USSR Council of Ministers, "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and the Quality of Work," consists in that it has extensively set the main socio-economic task in the area of labor. In order to carry out each one of these tasks, it has earmarked those parts of the economic mechanism which will help the socialist state to influence labor, labor relations and the reproduction of the labor force, combining into one the overall system for administration of the national economy and the main elements of labor administration.

In the modern stage many questions of labor administration require a new approach. The country has accumulated a significant amount of positive experience in resolving them. At the present time there are large reserves for fulfilling and overfulfilling state plans for economic and social development which are available through improvement of the system of labor administration. This is an important prerequisite for fuller utilization of the advantages of developed socialism. In the final analysis it is precisely in the sphere of public labor that the main tasks and results of improvement of the entire economic mechanism should be realized.

The socialist system of labor administration was constructed on a solid foundation of Marxist-Leninist teachings about labor and Lenin's principles of socialist administration, planning and management. The initial methodological tenets of Marxist-Leninist teachings about labor consist primarily in that it is necessary to distinguish and take into account the interconnection between the public form of labor, that is, relations among people and their participation in public labor, and labor as an expedient activity for transforming natural substance and energy into consumer value and objects that are useful to people.

"The definite political-economic category," V.I. Lenin pointed out, "is not labor, but only the public form of labor, the public structure of labor or, in other words: the relations among people in their participation in public labor."²

As for the simple aspects of labor that inhere in any method of production, they can be reduced to the following: "expedient activity or labor itself, the object of labor and the means of labor,"³ of which the creative basis, the "living enzyme," is man's labor activity.⁴

Joining the labor force with the means of production in the process of labor, if one regards it on the scale of the entire public economy, requires certain proportions in the distribution of labor. Marx noted that providing for this proportionality and saving on labor time, on the basis of collective production, will become the law even to a much higher degree.⁵ The necessary proportionality must be achieved both in terms of the quantity of labor force and in terms of its quality -- the level of training, the degree of development of labor capabilities. Finally, the functioning of the labor force in the process of labor presupposes that it is provided with means for existence and development.

Thus one can say that the main objects of labor administration are public labor itself, its conditions and results, the reproduction of the labor force and labor relations.⁶

The nature of labor relations, that is, the public form of labor, is of greatest significance. It is determined by the way property relations manifest themselves, primarily as relations among people regarding their participation in public labor, the main method of combining the labor force with the means of production.

Under capitalism labor relations are antagonist relations between the capitalist and the hired worker which are based on the purchase and sale of the product of the labor force. In a bourgeois society the role of labor and its influence on the economic and social process are limited and reduced.

Under socialism, where the subject of public ownership of the means of production -- its co-owners and comasters-- and the subject of labor relations are not separate, do not oppose one another, and where the labor force is released from the role of a product, one eliminates the essential antagonistic contradictions of labor that are inherent in capitalism, such as the schisms between labor and property, labor and science, labor and creativity, labor and consumption, and so forth.

Under socialism relations pertaining to participation in labor are one of the aspects of production relations, and labor activity is the key sphere of the socialist way of life. They constitute a motif that runs through all the main economic relations and they are a stable basis for true collectivism.

But it does not follow from this that under socialism production relations can be equated with labor relations, labor with production, or production administration with labor administration.

The main content of labor relations under socialism are relations that are directly related to the establishment of the place and degree of participation of each individual in public labor, with a determination of measures for remuneration for this labor and with the creation of conditions for highly productive labor and the all-around development of the individual. Among economic relations in the process of public production one should also single out those that are directly related to the reproduction of the labor force. One cannot equate the process of production with the process of labor. For example, production specialization does not coincide with the specialization of the labor functions of the workers, and the time of production does not always coincide with the working time, and so forth. Finally, in practice we distinguish economic potential from labor potential; planning and production discipline from labor discipline; cost accounting (khozraschet) production associations as the main unit of public production from the labor collective as the primary unit of the economic and political system of socialism and the primary unit of the "public labor organism."⁷

Therefore, in order to determine correctly the place, content and mechanism of labor administration as an independent, integral system in the overall system of administration of the economic and social development of the society, it is necessary to determine the relations among people in terms of their participation in public labor within the system of production relations, the direct process of labor in the process of production, and the reproduction of the labor force in public reproduction as a whole.

The economics of labor have long been separated from political economics and labor law, from the overall theory of law. Unfortunately, until recently this could not be said about labor administration as an independent section of the science of administration of the society.

Marxist theory has established that the objective need for labor administration arose historically along with the development of joint labor and its cooperation, and that the goals and content, the functions and forms of this administration change along with the development of productive forces and labor itself, and are conditioned primarily by the public structure of labor that inheres in each given means of production.

The advantages of socialist labor administration are determined primarily by the fact that at the basis of socialist labor relations lies a free combination of labor force that is liberated from exploitation with means of production that are public property. As a result of this, labor administration under socialism is released from the antagonistic content and despotic form and does not oppose the workers as a force that is alien to them.⁸ It is carried out on the principle of democratic centralism and the workers themselves and the labor collectives become increasingly active participants in it, subjects of the administrative process itself.

Socialist collectivization of production and labor makes it possible to raise labor administration to the level of the entire national economy, including it in the system of state plans for the country's economic and social development and in the unified economic mechanism. This serves as a most important prerequisite for increasing the public productive force of labor and achieving universality of labor and full employment of the able-bodied population. Above all, working people are thus inspired with confidence in tomorrow, and social optimism becomes a typical feature of the people's sense of the world under the conditions of the socialist way of life.

Under socialism the administration of the labor functions of the workers in the process of public labor itself are constructed on principally foundations than under capitalism. Since under socialism labor is not only the source of the wealth of the entire society and the main means for the life of the working man, but also increasingly a means of self-expression and self-affirmation of the individual, the increase in labor productivity and administration of this increase go hand in hand with the enrichment of the content of labor and with the creation of conditions that are worthy of man's activity and necessary for the increasing progressive influence of labor on the development of the individual. One can say that if at the dawn of history labor created man and separated him from the animal world, socialist labor and its gradual transformation into communist labor are forming a new social type of individual -- the man of a communist society who is developed in all ways. Therefore labor administration under socialism is deeply imbued with the spirit of true humanism.

The construction of developed socialism and the adoption of the USSR Constitution expanded the possibilities of fuller realization of the advantages of socialist labor administration, increased the role of this sphere of administration and made new demands for its improvement.

In the decisions of the 24th and 25th party congresses and in the USSR Constitution a great deal of attention was devoted to the socio-economic problems of labor and to improvement of its administration. In recent years a number of fundamental decisions have been made regarding questions of labor -- concerning the bases of legislation of the USSR and union republics concerning labor, strengthening labor discipline and creating stable personnel, improving norm setting for labor, improving the skills of the personnel and so forth. The communist party and its central committee are earmarking the main directions for a unified statewide policy in the area of labor.

The increased role of labor and its administration is conditioned by the achievement of a higher level of maturity of productive forces and production relations of socialism; the development of its political system which has been reflected in the USSR Constitution; the tasks of the economic strategy worked out by the 24th and 25th party congresses with respect to this stage of mature socialism; and the implementation of measures for improving the system of administration of the national economy and the entire

economic mechanism which is called upon to provide prerequisites for practical realization of this strategy. Finally, it is immensely important that the country now has a great labor potential which is distinguished not only quantitatively, but also qualitatively from the labor potential that was available to the country at the beginning of the 1960's -- the beginning of the stage of developed socialism -- not to mention at the end of the 1930's when socialism had just emerged victorious in the USSR.

Working people have become different in terms of their development -- their educational and cultural-technical level has risen immeasurably; in terms of their activity -- the content, nature and conditions of their labor have changed greatly; and in terms of their demands -- they have become broader and more diverse. The spiritual and social demands are increasingly moving to the forefront, and man's attitude toward labor for the good of the entire society is becoming a primary vital necessity.⁹

All this means that in the stage of mature socialism working people have the capability of solving new and more complex problems and more fully utilizing the advantages of socialist labor.

Our country is entering the Eleventh Five-Year Plan with increased economic resources, developed science and technology and an immense labor potential. In the near future one can expect a significant rise in the return from large capital investments that have been made in agriculture. The extremely rich natural resources of the Far East and Siberia are increasingly being put to use. This will make it possible to advance significantly in solving large socio-economic problems of labor.

Still, as was noted at the November (1979) Plenum of the CPSU Central Committee, during the course of the fulfillment of the Tenth Five-Year Plan a number of shortcomings and unsolved problems in the development of the economy were revealed. These were brought about both by objective and by subjective factors. Many of them pertain directly and immediately to labor administration: arrears in the fulfillment of plans for labor productivity, the significant turnover of the labor force and violation of labor discipline, the inadequate balance of the plans, including those for labor resources, and the existing lack of correspondence between the increase in monetary income of the population and mass goods and services.

Nor can one lose sight of the fact that in the 1980's the economy will be developing under the conditions of a significant drop in the growth of population of working age (and this is not uniform in the various regions of the country); additional expenditures will be necessary for the extraction of raw materials, energy and fuel, for environmental protection and for acceleration of the development of the infrastructure as well as the entire nonindustrial sphere. In a word, the strategy that has been calculated for the long-range future and the solution of current problems require that labor administration, like the entire economic mechanism, be directed primarily toward increasing efficiency and improving quality as well as improving the balance of plans and proportionality in the development of the economy.

Speaking about the Eleventh Five-Year Plan at the November (1979) Plenum of the CPSU Central Committee, Comrade L. I. Brezhnev emphasized: "Its principal basis is clear: In order to consistently improve the well-being of the people, it is necessary to double and triple the energy with which we implement the party course toward increasing efficiency and improving quality. There are no alternatives to this course and it must be steadily followed under the Eleventh Five-Year Plan."

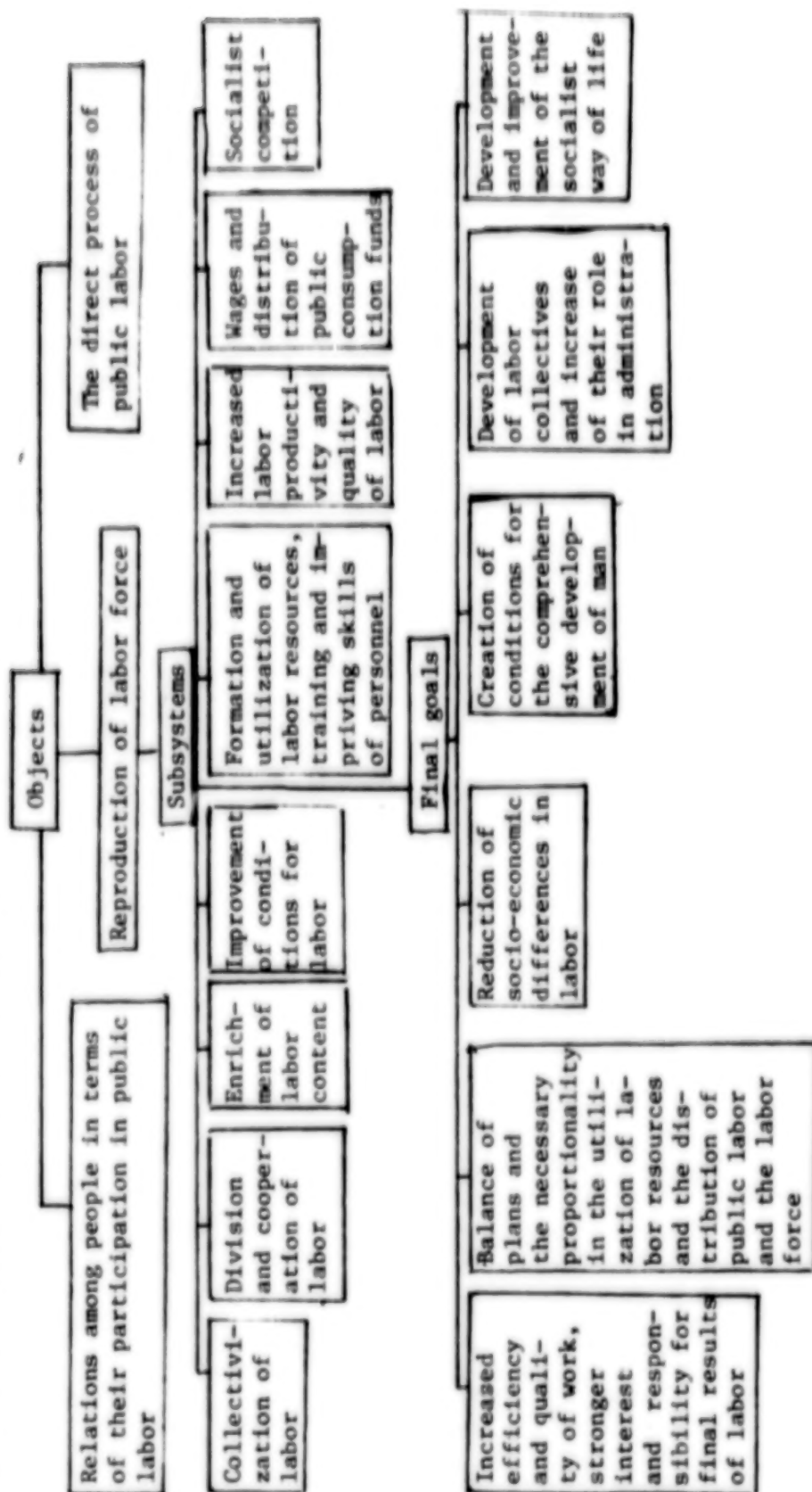
Taking into account long-range and immediate tasks, one can schematically represent the system of labor administration, its objects, subsystems and final goals in the modern stage in the following form (Diagram 1).

Among the main tasks of labor administration in the modern stage, one finds in the foreground the task of enriching the content of labor, and eliminating monotonous, unskilled, less productive heavy manual labor. In the current stage there is still a certain contradiction between the public form of labor as free labor for the good of the entire society and the level of development of the material base for labor in certain branches. Unskilled labor, especially heavy and monotonous manual labor, does not give full reign to the development of labor as creativity and limits the possibilities of progressive influence of labor on the development of the individual. In such sections of production man continues to be like a part of the technological process and does not stand above it as a manager and controller of the automatic course of the technological process. In this sense, comprehensive mechanization and automation of production is an important source for increasing labor productivity and the all-around development of its creative basis -- a necessary attribute of highly productive labor as a primary vital need.

Advanced experience in solving this problem has been accumulated recently. We have in mind the complex of measures for supplanting manual labor that were conducted in Zaporozhskaya Oblast, the Latvian SSR, Moscow and a number of other regions. But on the whole the problem is being resolved slowly. As was noted at the November (1978) Plenum of the CPSU Central Committee, the program that was promptly worked out by the party for the development of lifting and transport machine building was not fulfilled, as a result of which the mass of manual labor continues to increase even though there is a reduction in the proportion of manual labor. This requires greater attention from economic planning agencies and all labor agencies to the mechanization of manual labor and the orientation of scientific and technical progress toward labor-saving technical equipment, particularly in auxiliary sections of production and also the nonindustrial sphere.

The decree of the CPSU Central Committee and the USSR Council of Ministers concerning improvement of the economic mechanism established the assignment of reducing manual labor as mandatory for associations and enterprises. One of the first comprehensive programs that must be developed under the Eleventh Five-Year Plan is the program for reducing the use of manual

Diagram 1. System of Labor Administration



labor. It is important for it to be actually comprehensive, to embrace all spheres of manual labor, especially monotonous and heavy labor and labor that is harmful to the health; it must completely eliminate these jobs; and it must set assignments for the development of a system of machines and automated flow lines that leaves no room for heavy and unattractive labor.

One of the reasons why there is still a significant amount of manual labor is that most of the capital investments have been made in new construction while expenditures on the reconstruction of enterprises and their modernization have remained relatively small. At the 25th CPSU Congress a directive was issued to increase the proportion of capital investments in reconstruction and modernization. The decision of the CPSU Central Committee and the USSR Council of Ministers concerning improving the economic mechanism creates economic and organizational prerequisites for this. One of the main sources of funds for implementing measures for technical rearmament of enterprises should be the fund for the development of production which is formed in each production association and enterprise. Now it will be used primarily for technical rearmament according to plans that are drawn up by the associations (enterprises) themselves and will be given preference for material support.

Of course, the general path to the achievement of qualitative changes in the labor content involves changing its technical base. But even with a given level of collectivization of production (including its specialization), the technical equipment and the technology of the function of the working man can differ depending on the cooperation and division of labor. The main means of enriching labor is the introduction of a system of vocational mobility of the workers, the combination of occupations, the performance of kinds of jobs that change with brigade organization of labor, and so forth. From simple labor to complex, from unskilled to skilled, from the labor of the worker to the labor of the engineer -- such is the main line for the realization of the law concerning the change of labor in the stage of socialism, when there are still large differences in labor and the producers themselves have not yet become comprehensively developed people.

The transformations in the content of labor are inseparably related to changes in the nature of labor, that is, its public form. In the modern stage this changes consist in further collectivization of labor and, as a result, reduction of socio-economic differences in labor.

Within the frameworks of state enterprises the process of further collectivization of labor presupposes changes in the organizational structure of administration. It is the transformation of production associations into the primary unit of public production that opens up the way for the development of concentration and specialization of production, brings science and labor closer together, expands the boundaries for cooperation of labor, makes it possible to centralize certain functions within the framework of the association, eliminates the last remnants of manual labor in the form

of repair work and instrument and metal production as well as small warehouse divisions with manual loading and unloading work, and expands the possibilities of occupational mobility of the workers within the framework of stable labor collectives. In a word, such collectivization solves both economic and social problems.

The decree of the CPSU Central Committee and the USSR Council of Ministers concerning improvement of the economic mechanism envisions "completing in the next 2-3 years the formation of production associations as the main cost accounting (khozraschet) unit of industry. Measures are to be consistently implemented for specialization and cooperation of production, centralization of auxiliary and subsidiary services, and also administrative functions of the enterprises and organizations that are joined together." The last instruction must be especially emphasized. At the present time associations produce about half of all the industrial output, but among them there are those which have been created formally and have not in fact raised the level of collectivization of labor. Therefore it is no wonder that in a number of ministries the associations' share in the gross output and the numbers of workers are approximately the same. This shows that the advantages of combining enterprises in order to achieve greater labor productivity have been largely unrealized.

Another direction for further collectivization of labor involves bringing cooperative-kolkhoz and state property closer together. Here progress in the collectivization of labor coincides with a change in the ratios and a strengthening of the interaction of the two forms of socialist property. We are speaking not only about consolidating kolkhozes, but also about creating interfarm cooperation and agro-industrial integration. Experience shows that the implementation of these measures produces a multilateral socio-economic effect: as a result of the consolidation of production there is an increase in labor productivity and more uniform utilization of labor resources; there is an equalization of the incomes of workers of various kolkhozes that are included in the association and are using land areas that are not the same in terms of fertility; it becomes possible to join the workers into a unified chain from the field or farm to the sale of the products to the consumers and also to motivate workers employed in primary, intermediate and final stages of production to improve the final results of labor.

Further collectivization and transformation of the labor functions of the workers will accelerate the solution to one of the essential problems of the stage of developed socialism -- to advance significantly along the path of gradual elimination of socio-economic differences in labor. This will principally change the conditions for enlisting people in labor, will increase its productivity and will create important prerequisites for broader access of all social segments of the population to a secure and cultured life.

One of the most complex subsystems in labor organization is the subsystem for efficient utilization of labor resources and distribution of the labor force, especially under the conditions of the large structural advances that have been made in the economy and the deterioration of the demographic situation. The universality of labor, full employment and the lack of unemployment under socialism remove those antagonistic contradictions and the greatest disasters for workers which the random movement of the labor force causes under capitalism. Still, balancing the plan in terms of labor resources is a more complex task than the task related to other elements of production since, under the conditions of socialism, the labor force and the means of labor are not quantities of the same order. The working man is not only the embodiment of capabilities for labor; he is also a socially active individual. The tasks of administering labor resources, like all spheres of labor administration, must be carried out precisely in keeping with the USSR Constitution where it is directly written that each individual has the right to select an occupation, the type of employment and a job in keeping with his calling, capabilities, occupational training and education, and taking into account public needs.

In keeping with this, the measures for improving the economic mechanism and the special decision of the party and government regarding increasing the skills of personnel envision: essential improvement in the development of the balances of labor -- long-range and current, especially in the territorial cross section with more active participation in this matter on the part of the USSR State Committee for labor and Social Problems; a greater role for the soviets of people's deputies of the union republics and ispolkoms and also local labor agencies in the organization of efficient utilization of labor resources, including the development and the strengthening of the effectiveness of the bureaus for labor placement of the population; planned improvement of conditions for labor and life at enterprises and in regions where it is necessary to enlist and reinforce the labor force, especially in Siberia and the Far East; the introduction of a policy in the utilization of labor force for temporary jobs in agriculture, procurement organizations and so forth; improvement of the system for training and improving the skills of personnel in schools, vocational and technical schools, and higher educational institutions, and the achievement of greater correspondence between these and the public needs; and labor education of youth.

Additionally, increasing the skills of personnel solves another problem. Under modern conditions it serves as an important source of increasing labor productivity and, in the final analysis, it is precisely labor productivity that is the key to providing the national economy with a labor force.

The subsystem for increasing productivity and improving the quality of labor is central to the entire system of labor administration. This is especially true of the modern age when it has become necessary to achieve an acceleration of the growth rates of labor productivity and to decisively

improve its quality. After all, with a reduction of the extensive sources of production growth, in order to maintain the necessary rates of development of the economy, it is necessary to compensate for the reduction of extensive sources with an increase in the scope of savings on labor.

And increase in the role of long-range plans, their construction on the basis of a preliminarily developed comprehensive program for scientific and technical progress, and the implementation of measures for balancing the plans at all levels of administration will increase the motivation of ministries, associations and enterprises not only by means of current advantage, but also by the introduction large scientific and technical measures which will produce a greater effect in the future.

Increased labor productivity depends largely on the strengthening of planning discipline and, above all, on the fulfillment of mutual commitments of enterprises that are based on economic agreements. In keeping with the decree of the CPSU Central Committee and the USSR Council of Ministers concerning improvement of the economic mechanism, a number of measures are being conducted to accomplish this, including the establishment of a direct dependency of the entire system of bonuses on the fulfillment of product deliveries.

The role of social factors in the growth of labor productivity is increasing as never before. We have in mind the content and conditions for labor, housing and living conditions, people's attitude toward labor and the interrelations between them and the collective, and so forth. The decree concerning improvement of the economic mechanism envisions the development of summary sections for the entire complex of measures in the area of social development as part of the plans at all levels of administration.

There are large reserves for increasing labor productivity in the improvement of its organization and, above all, in more rapid and efficient dissemination of advanced practice, especially brigade organization of labor which should become fundamental under the Eleventh Five-Year Plan.

The national economic approach to labor productivity requires not one-sided measures for saving on working time, but a combination of them and measures for improving the quality of labor and products. Improvement of the economic mechanism creates conditions for precisely this national economic approach to labor productivity: the indicators of the plan at all levels of administration are oriented toward a qualitative description of the products that are produced (their efficiency, a greater proportion of products with the Emblem of Quality, and so forth); in the system of incentives, in addition to labor productivity, product quality being moved to the foreground; there is greater responsibility on the part of the producers for the assortment and quality of the products; and the consumer is playing a greater role in the formation of the production plan.

A special subsystem can include providing the working man with means of existence and development through wages and public consumption funds.

K. Marx noted that one cannot speak about man's capabilities of labor without speaking about providing him with means of existence.¹⁰ Since the main acting party in labor and labor relations is the working man, in all socialist labor administration and at all of its levels one must constantly keep in mind, on the one hand, the requirements placed on the working man by society and, on the other, the requirements the working man makes on labor itself and the social and domestic conditions of life. Today this presupposes a comprehensive approach to labor administration from the position of improving all aspects of the socialist way of life.

The changes that are taking place in labor and the orientation of further development of the political system of socialism toward increased socialist democracy determine the possibility and need to increase the role of labor collectives in labor administration, especially in the administration of labor relations, and the expansion of their rights and responsibilities, as well as the strengthening of the interest in and responsibility for the final results of labor. They are called upon to participate more actively in resolving statewide matters and problems of administration in associations, enterprises and organizations, in strengthening labor discipline and providing for smooth joint labor in order to achieve high final results, and in communist education of the workers on the principles of collectivism and progressive social development of the collective.

To all that has been said one should add that labor administration should constantly keep in its field of vision not only the interconnection between scientific-technical progress and the development the working man, but also their interaction with efficient utilization of nature and environmental protection.

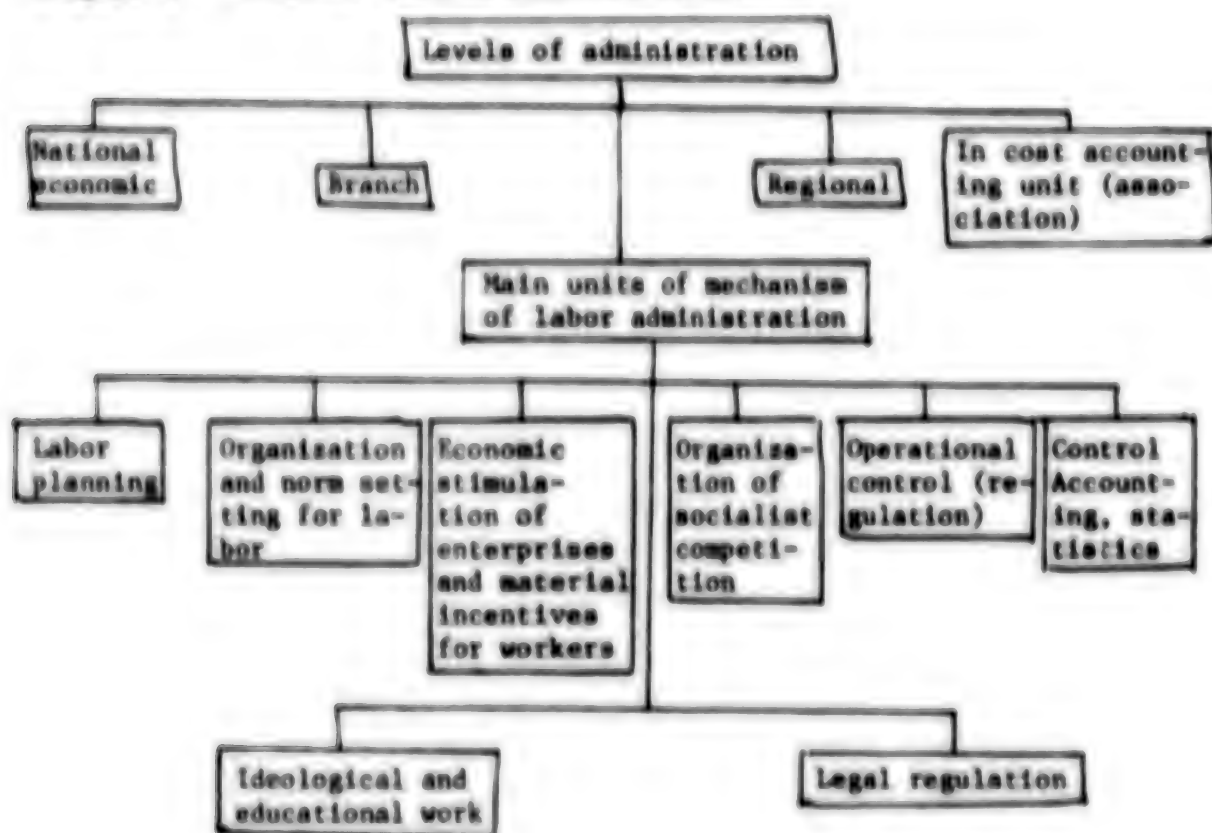
A consideration of the main tasks in the area of labor administration in the modern stage makes it possible to approach a description of the mechanism of labor administration itself and ways of improving it.

The main units of the mechanism of labor administration and the interconnections among them are shown in Diagram 2.

From a comparison of the first and second diagrams it is clear that certain objects of administration (for example, wages) are simultaneously economic levers and units of the mechanism for labor administration.

Labor administration is carried out through: first, immediate planned directive influence on labor and labor relations and with the help of labor organizations; second, economic influence on social and production conditions of labor and life; third, motivation of workers, their inducement to achieve the goals set for labor administration; fourth, the development of human labor, including its capacities for labor, increasing consciousness and discipline as well as a creative attitude toward labor (conducting organizational, educational and ideological work); and fifth, influence through the formation and development of labor collectives.

Diagram 2. Mechanism of Labor Administration



The diversity of the tasks of labor administration and the increasing influence of transformations in labor on the society's economic and social development have necessitated further improvement in the labor administration mechanism itself.

Labor has been planned, its organization has been improved, and the system of wages has been perfected in all stages of socialist construction. But it is precisely in the stage of developed socialism that it has become possible and necessary to create an integral system of labor administration and also a developed system of state and public agencies to help in carrying out this administration. The arsenal of means for influencing labor is expanding and the role of individual units in the labor administration mechanism is changing. A larger role is being played by labor collectives which are the only groups which have means and methods of influencing the process of labor, its organization, incentives, discipline, the creation of the necessary socio-psychological climate and the education of the working man.

The interconnection is becoming stronger between labor administration and other aspects of the society's economic and social development in the process of the formation of long-range and current state plans at all levels of administration. From the standpoint of the tasks in the area of labor, certain demands must be placed on the plans for scientific and technical development, the placement of productive forces and capital construction: it is necessary to orient the technical policy toward the production of labor-saving technical equipment and to conduct large measures for improving the material base for labor; when distributing productive forces it is necessary to take into account more fully the condition of the balance of labor, which takes different forms in different regions of the country; when planning enterprises the designs should include scientific organization of labor and administration, devoting special attention to improving social and industrial conditions for labor; and in capital construction, when creating new enterprises, provisions should be made for more rapid housing and domestic construction and funds should be redistributed more decisively in favor of reconstruction and modernization of existing enterprises.

Labor administration requires a broad approach to the problems that are being solved not only from the economic standpoint, but also from the political and social ones. Here all units of labor administration must be utilized comprehensively.

Thus, on the political plane, in the administration of labor resources one should take into account tasks for further development of the class structure of the society, including constant and high-priority augmentation of the working class with young personnel, and from the standpoint of national policy -- increasing the role of national personnel in the decisive sections of production and administration in the union and autonomous republics. In terms of social problems, one must consider problems of transformations in labor, the implementation of the social program and comprehensive development of the socialist way of life.

An important position in the labor administration mechanism is occupied by ideological and political-educational work which is directed toward increasing the awareness and social activity of the workers, and educating them in the spirit of a communist attitude toward labor and socialist property, collectivism and high responsibility to society.

We shall not consider individual units of the labor administration mechanism and ways of increasing their effectiveness in connection with the implementation of measures for improving the economic mechanism.

The main directions for improvement of labor planning are inseparably related to the general directions for improving planning which were envisioned in the decree of the CPSU Central Committee and the USSR Council of Ministers of 12 July 1979. Briefly, they can be reduced to the following.

Improvement of the system of plans -- expanding the horizon of planning and strengthening the role of long-range plans. The special importance of this system for labor planning is determined by the fact that it is becoming possible to take into account forthcoming qualitative changes in science and technology and to coordinate industrial construction and the development the sphere of services for the long-range future, without which under modern conditions it is impossible to solve the problem of reinforcing permanent personnel and achieving a stable increase in labor productivity.

The change in the system of indicators of the plan and their orientation toward efficiency and quality: a system of indicators for introducing new technology and advanced practice is being developed in the plans and they envision the economic effect from conducting scientific and technical measures and comprehensive programs. This will make it possible when drawing up the five-year plan to direct scientific and technical progress primarily toward the creation of conditions for highly productive labor with greater content.

Labor indicators themselves are changing. We are gradually changing over to calculating labor productivity in terms of normative pure output; in order to increase the influence on the mobility of the labor force and its utilization, limits are being introduced for the numbers of workers and employees in all plans and at all levels of administration.

As we know, up until 1965 there was a plan for the numbers of workers and a plan for the average earnings. Now assignments for increasing the average earnings will not be given to associations (enterprises). This means that when implementing measures for increasing production with fewer workers, the associations (enterprises) will be able to use the savings from the wage fund for additional incentives for increasing labor productivity and, on the basis of this, they can increase the average earnings of the workers.

The introduction of a system of scientifically substantiated technical and economic norms and normatives: the measures for improving planning also

the development of a system of progressive technical and economic norms and normatives for various kinds of jobs and expenditures (savings) of labor.

It is especially important that long-term stable economic normatives be discussed. Their role in the system of planning is increasing sharply. The essence and peculiarity of these normatives consist in that instead of establishing for ministries, associations and enterprises absolute amounts of resources (funds) which, according to the plan, they can have at their disposal, an economic normative is established for them. It reflects the relationship between the efficiency of their work and the absolute amount of resources left at the disposal of the economic units. In essence this normative relates the plan to cost accounting. With respect to labor, it is intended to establish not only normatives for the formation of the economic incentive fund, the fund for new technical equipment and the funds for scientific research work, but also a normative for earnings per ruble of output (according to the indicator applied when planning labor productivity). The amount of the wage normative depends on three factors: the rates of growth of labor productivity, the ratio between the rates of growth of labor productivity and wages, and, especially important under current conditions, the products obtained as a result of increased labor productivity. Consequently, the establishment of this normative will promote improvement of all three of the aforementioned indicators.

The decree of the CPSU Central Committee and the USSR Council of Ministers concerning improvement of economic mechanism points out that, when determining the wage normative, it is necessary to proceed from technically substantiated labor norms and envision an increase in labor productivity that is more rapid than the increase in wages. If the assimilation of highly effective new products, improvement of product quality and also a change in mining and geological conditions bring about an increase in labor-intensiveness, it must be taken into account in the wage normative. Thus norm setting for labor for specific kinds of products is combined directly with working time at enterprises, and these labor norms and wages are directly influenced through centralized determination of the wage norm per ruble of output.

Improvement of the balance of assignments of state plans for economic and social development: as was stated, work for drawing up the balances of labor is being considerably expanded and deepened, especially long-range balances and particularly in relation to the demographic situation.

Another important unit of the labor administration mechanism is its organization and norm setting. Recently a good deal has been done to improve administration in this area. The main measures for labor organization are established under a centralized policy. State accountability has been arranged for the fulfillment of plans for labor organization, both centralized and those developed at the enterprise.

The administration of norm setting for labor is carried out through the development and introduction of interbranch and branch normatives and norms for labor as well as normatives for the number of workers. When revising wage rates and salaries under a centralized policy, assignments are established for increasing output norms for various branches and enterprises.

But the organization and norm setting for labor do not yet meet the new requirements. About 400,000 workers are released annually as a result of improvement of labor organization in industry, which provides for an increase in labor productivity as a result of this factor of only 1-1.5 percent per year. The proportion of workers affected by measures for scientific organization of labor has stabilized at the level of approximately 40 percent of all the workers, and the expenditures per one released worker are even increasing.

Recently, primarily during the course of conducting measures for increasing rates and salaries in industrial branches in 1972-1975 and in nonindustrial branches in 1976-1979, the level of norm setting has risen. But almost 20 percent of the norms applied in industry are not technically substantiated and a considerable proportion of the time-rate workers and engineering and technical workers and employees do not have normed assignments set for them. One can say that we have learned to set norms for the labor of piece-rate workers and have achieved certain successes in norm setting of labor for time-rate workers, but we have only begun to establish norms for the labor of engineering and technical personnel, especially in nonindustrial branches.

In order to eliminate these shortcomings and solve new problems, the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU have recently adopted a number of decisions: concerning improvement of norm setting for labor, and dissemination of the experience of the Volga Motor Vehicle Plant, the L'vov system of quality control and so forth. The USSR State Committee for Labor and Social Problems is generalizing the advanced practice and adopting the corresponding decisions and, in conjunction with the Scientific Research Institute of Labor, is developing recommendations and methodological instructions directed toward the most rapid introduction of this practice.¹¹

In the area of improving labor organization the main things are to increase the substantiation of plans for centralized measures for labor organization; to develop in all ways the servicing of more than one machine tool and the combination of jobs; to reduce service staffs; to increase the volume of work performed with a smaller number of workers; to set norms for the labor of all categories of workers; to increase the role of technically substantiated norms; to introduce normatives for the numbers of engineering and technical personnel and administrative staff; to expand the practice of revising norms on the initiative of workers in combination with the planning and organizational review of norms; and, on the basis of the introduction of brigade organization of labor, to apply

more extensively payment for the final results according to a unified schedule.

One of the largest reserves for improving the organization of labor and increasing its productivity is to strengthen labor discipline. V. I. Lenin pointed out that socialist labor discipline "should be created on a completely new basis: the discipline of confidence in organization . . . , comradely discipline, the discipline of general respect, the discipline of independence and initiative in combat."¹² These Leninist tenets became the basis of a recently published decree of the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU, "On Further Strengthening of Labor Discipline and Reduction of Personnel Turnover in the National Economy." In keeping with the requirements of the modern stage of development of the economy, in order to solve this complex problem, a complex of measures has been developed. Among them is improvement of the organization and norm setting for labor in industry and at enterprises of the sphere of services; improvement of control of the movement of the labor force; improvement of conditions for labor and life; moral and material incentives; strengthening of responsibility for the observance of discipline; and expansion of the role of labor collectives and brigade organization of labor in increasing discipline.

A most important part of the mechanism for labor administration is the system for stimulating labor. The main directions for its improvement are related to the development of cost accounting (khozraschet) and the increased role of economic levers and stimuli.

The system of incentives is constructed and developed in the principle of combining economic stimulation of the enterprises and material motivation and methods of cost accounting (khozraschet) with increased effectiveness of wages. Stimulation and planning are organically connected. This is determined by the fact that, as V. I. Lenin points out, "any plan is a measure, a criterion, a beacon, a landmark, and so forth."¹³ Stimuli should be directed toward the establishment and fulfillment of taut plans. They also augment the plans, make it possible to limit the number of planning assignments established from above, and to open up the way for initiative from below. "The socialist economic mechanism," said Comrade L. I. Brezhnev, "is called upon to provide a proper outlet for intense energy and initiative."

The measures for improving planning which we discussed above create important prerequisites for increasing the effectiveness of the system of stimulation. Especially important here are instructions not to allow the establishment of planned assignments only from the existing dynamics of the corresponding indicators or the reduction of the plan to below the actual level of its fulfillment. Stable long-term economic normatives are being applied extensively. Planning indicators are consistently being oriented toward efficiency, quality and scientific and technical progress. A procedure for developing plans is being introduced, whereby, on the basis of

of the assignments of the five-year plan, with a distribution for the various years, the drawing up of annual plans begins from below -- from the enterprises and associations.

Decisions that have been adopted for improving the economic mechanism direct the system of stimulation primarily toward final national economic results, increased productivity and improved quality of labor, the delivery of products to the consumers in physical quantities, in keeping with concluded agreements, increased skills and professional mastery of personnel, and the development of taut plans.

In order to step up motivation to increase labor productivity, the enterprises have been given greater rights in the area of additional incentives to workers for combining jobs, increasing their occupational mastery, increasing the skills of engineering and technical personnel, applying technically substantiated norms for labor and revising them on the initiative of the workers.¹⁴ An economic influence on the efficient utilization of the labor force should also be exerted by the increased amounts of rates for contributions to state and social insurance. Economic stimulation of enterprises and material incentives for workers for improving the quality of work increase as a result of the increased increments for the quality of the products and the application of discounts from prices for the output of outdated products.

A comprehensive system is being developed for cost accounting (khozraschet) planning, financing and stimulation of the production of new technical equipment, following the practice of the Ministry of the Electrical Equipment Industry. While at the present time 15 ministries have been changed over to this system, by 1980 industry's changeover to it should be completed.

Of special importance for cost accounting (khozraschet) influence on the motivation of labor collectives to achieve good general results from the operation of enterprises is improvement of the system for the formation and distribution of economic incentive funds -- the fund for the development of production, the material incentive fund and the fund for socio-cultural measures and housing construction.

There is a great deal that is new in those indicators from which economic incentive funds are formed. Thus, the material incentive fund will be formed, as a rule, according to normatives that are established for increasing labor productivity and producing products of the highest quality category (or other indicator of product quality that is adopted for a given branches) in percentages of the profit (calculated profit). Here the absolute sum of deductions into the material incentive fund will increase (decrease) depending on the fulfillment of the plan for deliveries according to the products list (assortment) and the time periods, in keeping with economic agreements (orders). Increased normatives will be

established with the adoption of annual counterplans as compared to five-year assignments for the corresponding year, and also for enterprises that produce products with a high technical level and high quality.¹³

The system of stimulation is constructed in such a way that it not only increases the economic incentive of the enterprises and workers, but also increases their responsibility to the labor collective, to the consumer and to the entire society. The system of bonuses will be made to correspond to the new criteria for evaluating the activity of enterprises and the indicators for the formation of economic incentive funds.

In the modern stage an organic part of the economic mechanism and the entire system of labor administration is the organization of socialist competition. V. I. Lenin foresaw that the economic role of socialist competition would increase.

Its significance from an economic standpoint consists in that socialist competition gives rise to a source of individual and public productive force of labor which is inherent only in it, drawing on forces in a special form of labor cooperation. This cooperation is based on competition as a specific stimulus for labor, comradely cooperation and mutual assistance, and it has the goal of achieving general enthusiasm. Additionally, the educational and social role of competition is increasing.

The task consists in taking advantage more fully of the possibilities of socialist competition to solve socio-economic problems of labor. To do this it is necessary to link more closely competition and planning, moral and material incentives, direct exchange of labor activity and cost accounting (khozraschet) relations, which are included in the process of production, distribution and exchange. Like the entire economic mechanism, the conditions for socialist competition must be more purposefully directed toward increasing efficiency and quality. Special attention should be devoted to counterplans. Organizational and economic conditions have been created for increasing their role. The drawing up of annual plans will be initiated from below. Additionally, with the adoption and fulfillment by production associations (enterprises) of counterplans that exceed the assignments of the five-year plan, increased normatives will be applied for deductions into the economic incentive fund. It is necessary to take into account the results of socialist competition more fully in order to determine incentive measures for the fulfillment and overfulfillment of economic plans and the solution to economic problems.

An important place in labor administration belongs to operational control (regulation) which has specific objects and methods. They include: the establishment of rates for jobs and workers and their certification; the revision of labor norms; the introduction of progressive forms of labor organization; current regulation of wages (improvement of forms of wages, indicators and conditions for bonuses, and so forth); the organization of payments from public consumption funds; labor placement and organized

selection, public enlistment and resettlement; current control of training and increased skills of personnel, and so forth.

The effectiveness of labor administration depends largely on the condition of administrative and economic control, accounting and statistics. The special complexity of solving these problems in the system of labor administration is related to the need to reach each labor collective, worker and member of society (for example, when paying wages, organizing payments and benefits from public consumption funds, and so forth).

There are still many shortcomings in the unit of the labor administration which we are considering. Thus bank control (control with the ruble) is oriented mainly toward quantitative indicators, does not take factors of economic growth into account fully enough, and has a weak influence on increasing the efficiency and quality of labor and improving the utilization of labor resources, particularly by controlling the expenditure of earnings. Therefore the influence of the control with the ruble over efficient utilization of the labor force can and should be strengthened.

Statistics and accounting for labor require improvement. It is necessary to arrange accounting and analysis of factors of increased labor productivity; to improve accounts of advanced practice; to utilize more extensively the method of grouping enterprises in terms of labor indicators (to single out the best, average and worst), and also related groups of enterprises in terms of production conditions, and so forth); and to organize systematic statistical observation of the selected representative groups of enterprises. More attention should be devoted to social problems of labor; there should be special selective and mass investigations, statistical analysis of social segments from which the personnel of individual occupations are formed; data should be developed concerning education and the standard of living of individual groups of the population, and so forth.

The new problems in labor administration cannot be resolved without extensive application of economic-mathematical methods and electronic computers. The USSR State Committee for Labor and Social Problems is forming an automated system called ASU-Labor. It is envisioned that it will interact with subsystems for labor in the branches and regions, and also with automated systems for statistics and planning calculations (ASPR).

Ideological and educational work as a unit in the mechanism of labor administration exerts a great influence on man's attitude toward labor and the collective. A leading role in this work belongs to party agencies, and trade unions and other public organizations also play an active role. Their efforts are directed primarily toward strengthening labor discipline developing collectivism, utilizing working and free time efficiently, increasing the creative and social activity of the workers, and developing their solidarity for solving production, economic and social problems.

The specific nature of legal regulation as a unit in the mechanism of labor administration is determined by the fact that legal norms exert an influence on the will, consciousness and behavior of people participating in the labor process. The principal feature of legal norms under socialism consists in that they are based on solid economic and political guarantees of the rights of the workers and real possibilities of their fulfilling their commitments to labor collectives and the society as a whole.

The USSR Constitution makes new requirements for improving legal regulation. In keeping with these requirements, measures are being taken for codifying the norms of labor law; the rights, authority and responsibilities of economic agencies at various levels of labor administration are being refined; the rights of labor collectives are being expanded and the content of collective agreements is being improved; there is greater adherence to the legal policy in the area of labor legislation and labor and contractual discipline; the efficiency of all legal regulation of labor is increasing.

The diversity of objects and economic functions of labor administration condition the specific nature of the subjects of administration. These subjects include a certain set of institutions and organizations. Their peculiarity is that, because of the universality of labor, the corresponding units of administration should be, on the one hand, in all planning agencies and at all levels of administration, and, on the other hand, the economic functions of the majority of subsystems also require special labor administration agencies.

Another peculiarity of the structuring of labor administration agencies and the policy for their activity is determined by the fact that the main issues in labor at all levels of administration are resolved by state agencies in close contact and necessarily in conjunction with the trade unions, and some of the labor issues are resolved directly by the trade unions themselves or under their special control.

An important organizational prerequisite for improving labor administration was the creation of a unified system of agencies of the USSR State Committee for Labor and Social Problems, which includes a union committee, committees of union republics and local labor agencies. By consistently and persistently implementing the measures for improving the economic mechanism in conjunction with planning, finance, economic and trade-union organizations, they are called upon to make the level of labor administration correspond to the capabilities and requirements of the modern stage of development of the USSR economy.

At the present time central state agencies have basically completed the development of the necessary methodological and normative documents.

The central point for further work for improving the economic mechanism is now being transferred to the area of practical introduction of the decisions adopted in the ministries, territorial agencies, associations and

enterprises, and to a development of the Eleventh Five-Year Plan and the future up to 1980, which would provide for comprehensive introduction of measures for improving planning and the economic mechanism as a whole.

FOOTNOTES

1. This article can be used for studying the course "Improvement of the Economic Mechanism."
2. Lenin, V. I., "Polnoye sobraniye sochineniy" [Complete Works], Vol 7, p 45.
3. Marx, K. and Engels, F., "Sochineniya" [Works], Vol 23 p 189.
4. Ibid., p 196.
5. Ibid., Vol 46, Part 1, p 117.
6. It is written in Article 1 of the Fundaments of Legislation of the USSR and the Union Republics: "Soviet legislation on labor regulates labor relations of all workers and employees by contributing to the growth of labor productivity, the increase in the efficiency of public production and, on the basis of this, the rise of the cultural level of the life of the workers, the strengthening of labor discipline and the gradual transformation of labor for the good of the society into a primary vital need of each able-bodied person." (selected by me, B.S.).
7. Marx, K. and Engels, F. "Sochineniya," Vol 23, p 374.
8. Marx K. and Engels, F., "Sochineniya," Vol 23, p 343; Vol 46, Part 1, p 451.
9. K. Marx noted that the movement along the path to the creation of comprehensively developed people includes all three of the aforementioned aspects -- not only development, but also changes in the activity and demands (see Marx, K. and Engels, F., "Sochineniya," Vol 46, Part 1, p 117).
10. Marx, K. and Engels, F., "Sochineniya," Vol 23, p 184.
11. See, for example, the "Temporary Recommendations for the Development of Brigade Forms of Organization and Wages of Workers at Enterprises of Machine Building and Metal Processing," which were approved by the USSR State Committee for Labor and Wages and the AUCCTU, BYULLETEN' GOSKOMTRUDA SSSR, No 5, 1979.
12. Lenin, V. I. "Polnoye sobraniye sochineniy," Vol 36, p 500.
13. Ibid., Vol 43, p 382.

14. See the Explanations approved by a decree of the USSR State Committee for Labor and Social Problems and the AUGCTU, SOTIALISTICHESKIY TRUD, Nos 4,6, 1980.

15. "The Fundamental Points About Forming and Distributing Incentive Funds in 1981-1985 in Industry," EKONOMICHESKAYA GAZETA, No 15, 1980.

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LABOR

MECHANIZATION CAUSING INCREASING JOB DISSATISFACTION

Novosibirsk EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA in Russian No 6, Jun 80 pp 159-162

[Article by V.M. Tarasenko and V. Ya. Kvitko, general director and chief of the Sociological Research Sector respectively of Kishinev's "Moldavproyeht-mebel'" Science-Production Association: "Mechanization: Not Only Pluses"]

[Text] We see primarily the positive aspects in the constant improvement and renewal of production and in the introduction of new equipment and technology. This also applies to an examination of the social consequences of technical progress, including the increase in the workers' professional and general educational level, a reduction in the number of workers employed in heavy physical work or work in dangerous and harsh conditions, alleviation of the work of women, a general improvement in production conditions, a reduction in accidents and so forth. But does the technical development of the industrial enterprise lead only to positive changes? It is logical to assume not only pluses but also negative features engendered by the evolution of production. The concrete experience accumulated in industry leads to this conclusion.

Let us cite the results of special surveys in Moldavia in corroboration of this conclusion. We studied the organization of labor at nine ferroconcrete product plants of the Moldavian SSR Ministry of Construction Materials Industry "Stroyindustriya" Trust. A factor analysis was employed in a survey which showed that the increased level of mechanization is accompanied by an increase in the number of violations of labor discipline. A second investigation was devoted to a study of personnel turnover at enterprises of the Moldavian SSR Ministry of Furniture Industry, and a similar finding was obtained: the number of dismissals for violation of labor discipline was directly linked with the level of mechanization of labor indicator. A third study with the same result examined the dependence of the socio-psychological characteristics of the labor collectives (97 brigades totaling 1,100 persons) of three of Moldavia's furniture industry enterprises on type of production activity (manual or mechanized labor).

This interconnection is manifested particularly clearly among young workers and novices with less than 1 year's service. Thus the number of dismissals of persons aged 18-24 and 25-29 correlates positively with the power-worker ratio (+ 0.66 and + 0.72 respectively). The picture is also the same with respect to the level of education. And an increase in it, moreover, leads to an increase in the number of dismissals motivated by dissatisfaction with the occupation, whereas dismissals of persons with primary education is motivated by dissatisfaction with the work conditions. A strong connection between the rhythmic nature of production and the number of those dismissed who were not satisfied with their occupation (the correlation factor is + 0.75) was discovered. Furthermore, a group of carpenters of the senior age group (50-54) dismissed on account of their dissatisfaction with the occupation was singled out. What is it a question of here? And is there something which the above facts have in common?

We believe that it is a question of changes in the content of the work. In 10 years the level of mechanization in Moldavia's furniture and wood-processing industry has increased by a factor of more than 1.5, and the capital-worker ratio has more than tripled. The big technological changes could not have failed to have been reflected in the social aspect of production. Labor, as a whole, is being simplified and becoming a step-by-step process, and, moreover, a single worker is responsible for an increasingly small number of simple operations. Consequently, increasingly elementary, uniform, monotonous and highly intensive work practically deprived of creative aspects corresponds (for the mass occupations) to the higher level of mechanization.

Obviously, such work cannot attract a person, it gives rise to professional dissatisfaction and begins to lose sectorial specificity. For this reason the high turnover among young workers and also the carpenters of the senior age group is not surprising. The carpenter in furniture production is a central figure. Was, that is. It is precisely the workers of this trade who primarily experienced the tremendous changes in the technical equipment of the enterprises and in technology. From handicraft to mechanized production--the carpenter has been able to cover this path in a couple of decades. Losses in the content side of work are inevitable on this path. So that in this case the reduced interest in the trade is in fact explained by dissatisfaction with the changes in the trade.

Professional dissatisfaction will be felt even more sharply in connection with the general improvement in production conditions. Sanitation and hygiene conditions as a whole are being normalized, and the need for a higher level is emerging--a need for meaningful work--and it is becoming increasingly insistent.

The increase in the level of mechanization of labor increases, as a rule, the socio-psychological isolation of the workers in the production collective because there is less need for their direct contacts. And if normal communication under production conditions is becoming unavailable, compensatory mechanisms are, unfortunately, being incorporated far from

always in the desired forms. Here we also find an explanation of the connection between increased mechanization and absenteeism and excessive drinking.

It would be absurd in this situation to demand a return to manual labor. It is necessary to enrich labor by way of its infusion with creative elements and sufficient variety. It is necessary to increase the worker's independence in making responsible decisions and to create conditions for their communication directly in the process of labor activity.

Some experience of the solution of this problem has already been accumulated in our country. A particularly great deal is being done in the struggle against the harmful consequences of monotony: scientifically substantiated work and recreation schedules, functional music and the planned relocation of workers within enterprises (given assimilation of several trades) are being introduced, the Volga Auto Plant form of the organization of production and labor is spreading, and the "Moldavproyektmebel'" Science-Production Association is introducing the Volga Auto Plant's experience in our sector also. The first enterprise to complete preparations for a transition to the new principles of work was the Kishinev Furniture Factory imeni M.V. Frunze--a leading enterprise not only of the republic but also union ministry.*

Particular attention was paid during the preparatory work to the social aspects of the organization of labor (bringing the brigades up to full strength, creating brigade councils) inasmuch as in many respects the factory was already prepared organizationally to work a la Volga Auto Plant.

It was important not to forget this in the "hurly-burly" of preparatory measures. And this is possible if the assimilation of the new method is not interpreted mechanically but intelligently, with regard for particular, specific problems. The Volga Auto Plant system is for us to a considerable extent a system of measures to compensate for unpropitious aspects of production. The measures include the stimulation of professional growth (skills), the creation of prospects thereof, an improvement in the brigade forms of the organization of labor, the development of self-management and an increase in mutual responsibility and exactingness. A real basis is being created for the development of collectivist relations. New forms will also undoubtedly be engendered with time, but the idea should remain: the humanization of labor as a goal of the socialist enterprise.

*For more detail on this see EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA publications devoted to the work experience of the Volga Auto Plant (No 1, 1976), the Rostov Footwear Association (No 1, 1979) and the Tiraspol' Garment Factory (No 1, 1980) and a number of Altayskiy Kray enterprises (No 4, 1980) and also the selection of articles "Struggle Against Work Monotony" (No 7, 1979)--editor's note.

A short time will evidently elapse, and man's participation in mechanized production will become meaningless since this production will give way to automated production, in which the creative principle will be dominant and true collectivism will become possible. But until then we must not close our eyes to the minuses of mechanization and should utilize all possibilities to compensate for them in the interests not only of production but man also.

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LABOR

WAGE DIFFERENTIATION TO ENCOURAGE RETENTION OF PERSONNEL

Novosibirsk EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA in Russian No 7, Jul 80 pp 3-17

[Article by P.G. Dunich, corresponding member of the USSR Academy of Sciences: "Wages as an Economic Stimulus"]

[Text] The wage mechanism is one of society's most effective economic levers. For this reason it is very important to insure the active position of wages, keep an attentive eye on the effectiveness of their stimulating influence and regulate this mechanism in good time.

Great significance has always been attached to wages in the party's economic policy. The functions of wages as a financially autonomous lever are being enriched considerably at the current stage--that of developed socialism. The CPSU Central Committee and USSR Council of Ministers decree "An Improvement in Planning and an Intensification of the Impact of the Economic Mechanism on an Increase in Production Efficiency and Work Quality" testifies to this.

Forms and methods of planning and organizing wages which are linked more closely with production efficiency are currently being introduced. The social function of wages and also the function expressed in a consideration of the complexity of the labor, the qualifications of the workers and the social significance of the sector and in consideration of production conditions is being supplemented increasingly with the function of a precise encouragement of the amount of labor, the saving of resources, the quality of the manufactured products and other indicators of efficient management.

Some economists deny the need to link wages with the results of production and believe that it is only necessary to pay for identical labor input, irrespective of its efficiency. Without going into the theoretical vulnerability of this standpoint, we would note that practice also proves as convincingly as could be the groundlessness and narrowness of such an interpretation of the law of distribution according to labor.

This article examines questions of the organization of wages. The outward conditions of the efficacy of this economic lever like, for example, full and adequate coverage in kind of money income, sufficient development of requirements and others are beyond its framework.

Wages and Net Output

The connection of remuneration with final production results should in the next few years be secured through the application, as a rule, of sectorial wage norms computed in conformity with sectorial net output norms. A number of experiments has preceded this solution.* They have shown that the use of the normative net output (NNO) indicator makes it possible to neutralize collective interest in costly raw material since, given calculation of the planned wage norm, planned material expenditure, irrespective of its cost, is not taken into account.

In just one year the material-output ratio was reduced 1.2 percent in the Moscow Gorispolkom Main Administration of the Construction Materials and Structural Components Industry, which yielded the economy R1.6 million. Direct material outlays at Ministry of Heavy and Transport Machine Building enterprises were also reduced 4.6 percent in just one year (more than prior to the experiment).

The attitude toward laborious operations has changed. Whereas prior to the experiment they were unprofitable, under the conditions of the experiment it was precisely labor-intensiveness which came to determine the amount of the wage.

The "Uralmash" Association produces the K-320 calcinator. This machine is 1.5 times more productive than the K-306 which was manufactured earlier, but is 16 percent more labor-intensive. Prior to the experiment, manufacture of the new machine was not profitable for the collective inasmuch as it had an opportunity to earn money manufacturing materials-intensive products.

The time taken to completely install apartment houses whose structures and components were manufactured by enterprises of the Moscow Gorispolkom Main Administration of the Construction Materials and Structural Components Industry has been reduced 10-22 percent. In other sectors the new indicator has promoted an increase in the production of comparatively labor-intensive spare parts of which the country is in great need. The use of NNO has satisfied to the greatest extent the interests of the production facilities manufacturing products for individual projects or rapidly replacing their products. Diesel-engine building, whose output is frequently unique in purpose and is characterized by a constant growth of capacity, the development of automated control and a rapid improvement in other indicators, falls in this category, for example.

*See, among others, publications of the journal *EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA* "Net Output Indicator," No 5, 1976 and "The Experiment Is Over, the Experiment Continues," No 6, 1977.

THE NNO indicator has improved the fulfillment of product-list plans, particularly when their nonobservance in the past was caused by the unprofitable nature of closing labor-intensive operations. This is typical of construction, where finishing work calculated on the basis of actual labor effort is paid far less than the installation of costly structures. Whence the frequent delays in the commissioning of projects and the excessive increase in the proportion of incomplete construction. Under the conditions of NNO it is altogether more difficult to cover nonfulfillment of the plan in some items by overfulfillment in others.*

A direct link between remuneration and the expenditure of live labor is also secured by the decision to determine additional payments, particularly in industry:

to workers for a combination of occupations and fulfillment of the set amount of work with fewer numbers--up to 50 percent of wage rates and salaries; and

for high qualifications of engineering-technical personnel and employees--up to 30 percent--and design workers and production engineers--up to 50 percent.

The additional payments are made from the wage fund savings compared with the norm or planned amount.

The efficiency of live labor is characterized not only by the quantity and quality of the manufactured products but also by the expenditure of past labor. Unfortunately, the NNO indicator does not take account of the deviations of the expenditure of past labor from the normative level which are inevitable in the process of plan fulfillment. Even the planned value of past labor may be overstated for the planned NNO is computed by proceeding from the sectorial norm and not with reference to the planned net output of a given association (enterprise). For this reason the mechanism being introduced leaves the economies or overexpenditure of past labor compared with the norm outside of the effect of wages. This does not fully conform to the requirements of stimulating rational management since, after all, material expenditure exceeded 80 percent of the prime costs of industrial output in 1978 and shows a trend toward further growth.

*Unfortunately, the ministries' individualization of remuneration norms by enterprise, which is in fact geared to the production and staff norms which have evolved, is preventing the neutralization of the wage for a product on a sectorial scale. This individualization is being undertaken in accordance with the Guidelines for Determining Long-Term Wage Norms per Ruble of Output, which were adopted on 12 October 1979, that is, a month after the appearance of the Guidelines for the Formulation and Application in Planning of the Net Output (Normative) Indicator, which established the need for the introduction, as a rule, of single sectorial wage norms.

It may, of course, be objected that the orientation of wages toward the stimulation of live labor is justified by the shortage thereof. But the shortage of live labor is largely caused by its excessive expenditure on the creation of raw material, intermediate goods, machinery and other material conduits of past labor. And if there is an inadequate saving of labor which quite recently was live labor, the shortage of live labor in the economy as a whole diminishes insufficiently. Caring wages to a one-sided saving of live labor essentially diminishes its achievements at earlier stages of production. The single chain of the economizing on live labor is broken, and the greatest part of it--past labor--ends up in an area free of the effect of such a stimulus as wages.

Bonus funds which encourage, as it were, saving of material expenditure do exist, it is true. But is this encouragement enough?

According to the model regulations in effect, the allocation for the payment of bonuses of sums amounting to up to 50 percent of the saving obtained as a result of a reduction in expenditure on raw material, intermediate goods and other physical assets compared with the norms of their expenditure is authorized. For economizing on electric and thermal energy and nonferrous metals, the production of consumer goods from industrial waste, the repeat use of wooden and cardboard packaging and for certain other forms of economizing on material outlays enterprise workers receive percentage deductions from the savings achieved. Bonuses are paid in the timber industry for economizing on rope, spares, fuel and lubricants. The accumulation, storage and surrender of worn motor vehicle, tractor and agricultural machinery components are encouraged by the payment of bonuses, for which up to 50 percent of the sum obtained from the sale of these components is allocated. Construction brigades working in accordance with the N.A. Zlobin method are paid additional bonuses of up to 40 percent of the saving of resources compared with the estimated cost of the work done and the installed project.

In all the enumerated instances saving is simultaneously both a criterion of encouragement and a source thereof. Thanks to this, the conditions are taking shape for its real stimulation.

But in the majority of cases a saving of material resources is rewarded only from the material incentive fund. Half of it is channeled into bonuses for annual results, lump-sum assistance, the stimulation of particularly important targets and the centralized funds of higher tiers. Approximately 30 percent of the resources is spent on current bonus payments, but the former are intended for the encouragement of labor productivity growth and an increase in product quality and affect mainly engineering-technical personnel and employees (workers receive the overwhelming amount of bonus payments from the wage fund). Under these conditions there is a contradiction between the scale of the economies and the amounts of the bonuses even at enterprises which are actively concerned for the rational use of past labor.

The principal forms of economizing on raw material resources and the indicators of a reduction in the estimated and actual cost of capital investments and an increase in the shift index are in fact beyond the scope of incentive.

A reduction in the expenditure of past labor often requires additional expenditure of live labor, and this is not compensated by wages. In this case the national economy saving is accompanied by financial autonomy losses.

The Onega Tractor Plant decided to reduce the cost of the steel cast of the main rocking shaft, which had been supplied by the Minsk Tractor Plant, and began to manufacture it locally by the stamping method. Prime costs were cut on an annual basis by R54,000. But the labor-output ratio increased somewhat. Although there was an undoubted gain for the national economy, the enterprise overspent the wage fund, and the correlation between labor remuneration and productivity measured without the saving of embodied labor was disrupted.

In order to point the collectives in the direction of the better use of past labor it would be expedient, we believe, to return under the new conditions to the question of the experimental application of the actual net output (ANO) indicator. The connection between labor remuneration and social labor expenditure would thus be insured, and the remuneration of live labor proper would approach its actual efficiency (as distinct from sectorial-average efficiency). The sectorial-average norms are better differentiated compared with the procedure when they were determined in an inverse progression to the results of production, but worse when they are determined in accordance with actual final indicators. As is known, there are difficulties connected with the introduction of the ANO indicator in practice--the complexity, lack of immediacy and a certain conditionality of the calculations. But they are surmountable. The experimental calculations being performed at the Lyubertsey Agricultural Machine-Building Plant imeni Ukhtomskiy, in the course of which economies of past labor were ascertained on a current basis, testify to this. The lack of the immediacy of ANO calculations may be overcome by corresponding changes in the system of accounting and computer use. The following approach, we believe, deserves attention: first compute the wages by proceeding from the NNO and then, in accordance with the data obtained on their actual amounts, correspondingly adjust the sum to be paid out.

Labor Norm Setting

As is known, the role of output norms is very important in insuring the correct remuneration of live labor. The output norms should be determined by proceeding from the technical possibilities of the machinery and the technology of production. But if the specifications of the machinery are not in line with its socioeconomic use limits, socially substantiated and not technical norms should be taken as the reference point.

At enterprises where the conditions are comparatively similar single norms are employed, for example, in motor transport. Given centralized norms and rates for operations, the wage fund is computed from the planned production volume and planned remuneration norms per unit of output. But at the majority of enterprises technical-technological conditions are distinctive and inimitable. For this reason norm setting is decentralized to a considerable extent. As a result identical work is reimbursed variously. This can be avoided mainly by way of the creation at the enterprises of conditions for the introduction of sectorial norms.

To stimulate the transition to technically substantiated norms the State Committee for Labor and Social Problems, following coordination with the AUCCTU, has been granted the right to authorize the ministries and departments to introduce in the production associations (at enterprises) of individual industrial sectors rates increased by up to 20 percent for work in accordance with such norms. For the same purpose an initiative concerning the introduction of technically substantiated norms and their reexamination is accompanied by the payment to the workers of a lump-sum remuneration from the savings obtained as a result of the changes in the norms. This practice was initiated at Rostovskaya Oblast's Aksayskiy Plant.

A number of sectors has accumulated experience of norm setting on the basis of the technical parameters of machinery for whose assimilation (and particularly for exceeding the norm) bonuses are added. Thus in 1973 the Ministry of Machine Tool and Tool-Building Industry and the Machine Builders Union Central Committee Presidium adopted a decision on the dissemination of a system of the technical norming of labor in machine tool-building industry. Technically substantiated norms with additional payments over a set period are introduced at the time of the transition to the manufacture of new products. When it has expired, the additional payments are canceled, and bonuses are paid for overfulfillment of the norms.

Progressive norms should be introduced not only among workers employed in the manufacture of new products or who are assimilating planned capacity. Technically substantiated norm setting is the basis of the management of any production process.

The method of raising the norms applied at the Moscow "Dinamo" Plant imeni S.M. Kirov is also of interest. The idea arose here of stimulating not an overfulfillment of the norms, which sometimes do not conform to the possibilities of production, but fulfillment of the workers' personal plans. Taking the base level of labor productivity (actual overfulfillment of the norms) as a pointer, they provide for an increase therein in accordance with the plan directives. The Gor'kiy and Minsk auto plants also set an example of an increase in labor productivity on the basis of the personal plans of each worker. Advantage is being taken of this experience in many sectors, particularly in heavy, power and transport machine building and automotive industry, at instrument-making, means of automation and control system enterprises and in ship building.

Almost one-half of industrial workers receives time-rate remuneration. In particular, at production facilities characterized by a high degree of conveyorization piece-rate remuneration is being squeezed out by time-rate payment organized on the basis of an established rhythm. The intensity of the labor and its quantitative and qualitative results are hereby comparatively strictly controlled. Normed plan quotas which, given due intensity, may be equated with technically substantiated norms are being determined for stimulating work efficiency under the conditions of time-rate remuneration. A synthesis of the time-rate and piece-rate systems is essentially the result.

Thus at the Volga Auto Plant the workers receive additional wages of the order of 40 percent of time-rate earnings (wage rate and additional payments for skills and work conditions) for the fulfillment of a normed quota determined for the brigade. Inasmuch as at the start of the assimilation of new production the brigades had more workers than planned a special bonus was established for bringing labor productivity growth closer to planned labor-intensiveness (of the order of up to 20 percent of time-rate earnings) for encouraging a transition to technically substantiated norms. After each successive increase in the wage rates, the bonuses for an increase in labor productivity are reduced to the initial level. The Kama Truck Plant, the Donetsk Refrigerator Plant, the Perm' Telephone Plant, the Tiraspol' Garment Factory and many other enterprises have switched to the Volga Auto Plant remuneration system.

Some 81 percent of technically substantiated norms (for the 75 percent of industrial-production personnel whose labor is normed) are formally in effect in industry. In actual fact there are less of them. Thus the output norms at the Nikolayevskaya Confectionary are 42 percent below the model norms, 36 percent below at the Zhdanov Confectionary and 19 percent below at the Zhitomir Confectionary. That they are understated may be judged if only by the fact that they are overfulfilled by 25 percent, 23.3 percent and 19.2 percent respectively. There are also norms higher than the model norms which are understated. The output norms at the Kiev Confectionary imeni K. Marks are 14.9 percent higher than the model norms, but are fulfilled 120.6 percent. In the RSFSR's textile industry 81.3 percent of spinners and 70.4 percent of weavers work in accordance with above-sector operating norms. The point being that the introduction of new equipment and new technology are outdistancing the formulation of all-sectorial norms.

Equalization tendencies are sometimes observed in wage distribution per individual workers and subdivisions. Remuneration somewhat less than they have deserved is sometimes deduced for workers who have achieved high results, and the issuing of new orders is limited. Instances have been cited in the press of production workers being oriented toward norm overfulfillment of no more than 5 percent. The meaning is the same with the practice in effect at a number of machine-building enterprises in accordance with which the bonuses for fulfillment of technically substantiated norms of the order of 40 percent of the wage rate are maximum. Further output growth

is stimulated by the direct piece-rate remuneration without bonuses. The foremost workers thus do not always acquire the privileges which they have a right to expect. Their energy, enthusiasm and creative imagination aimed at the acceleration of technical progress and satisfaction of the population's requirements do not receive due material encouragement, which determines not only the amount of the wage but also public recognition of a person's merits. At the same time the remuneration of less productive labor is being brought into line herewith insufficiently quickly.

Together with leveling and equalization we have an unjustified increase in the earnings of individual workers with special training and high qualifications in the shortest supply. Skilled labor should, of course, be paid better than unskilled labor, but precisely the labor and contribution of a worker to social production and not the mere fact of short supply in an occupation or of high qualifications.

There are a number of reasons for the overpayment of workers who have worked insufficiently efficiently. They amount primarily to the unjustified constancy of wage rates. Yet the average wage increases 2-3 percent annually in accordance with the plan. Given retention of the former comparatively low wage rate, this is achieved by the use of understated output norms, which although they do increase, do so more slowly than need be. An appreciable overfulfillment of the understated norms also increases the wage.

The lowering of output norms creates a concealed manpower reserve which enables the enterprises to cope, thanks to overtime work, with additional quotas frequently determined within the framework of the previous numbers.

Thanks to the understatement of output norms, enterprise and shop managers pay the workers sufficiently high wages even with equipment idling and malfunctions in production sectors for which these managers are to blame. According to data of the scientific organization of labor and management laboratory of the Tallin Polytechnical Institute, more than two-thirds of the losses of work time are caused by shortcomings in production-operations planning and less than one-third by other reasons, including the tardy supply of materials. Low norms and high earnings reduce turnover at each given enterprise and make it easier to bring the new personnel up to full strength and retain it.

The norming of labor both with piece-rate and time-rate remuneration should be perfected everywhere and constantly. If it is undertaken at some enterprises and not at others and if certain sectors pay a comparatively great deal of attention to norm setting and others do not, the collectives which have introduced the intensive norms could lose some skilled personnel and end up in a worse position than the collectives which retain understated norms.

The 25th CPSU Congress mentioned the need for an increase in the role of the state bodies directly responsible for the remuneration and norming system.

Product-quality inspectors representing the interests of the consumer exist in a number of industrial sectors. This is fully justifying itself. We should possibly be giving thought to introducing similar supervision of labor norming on the part of the USSR State Committee for Labor and Social Problems and the union republic state committees for labor and social problems.

The Wage-Rate System, the Regional Factor and Extra Payments

An increase in the flexibility of the wage-rate system and its adaptation to specific production conditions is an urgent task. As is known, within the limits of one and the same grade the level of the quality and complexity of the operations performed differs and depends on the individual capabilities of each worker and his production skill, mastery of related occupations and attitude toward work. In order to avoid equalization additional payments for professional skills have been introduced at the Volga Auto Plant. If a worker's work is defect-free for 6 months, he receives an additional 4 percent of the wage rate, and, given an absence of defective work for 18 months, the extra payment amounts to 12 percent. In accordance with the regulations in effect at the Volga Auto Plant, the additional payment for professional skills is determined only for one-fourth of the plant's workers, and for this reason the brigades compete for the right to receive it. In accordance with the CPSU Central Committee and USSR Council of Ministers decree "An Improvement in Planning and an Intensification of the Impact of the Economic Mechanism on an Increase in Production Efficiency and Work Quality," additional payments for professional skills to qualified workers employed in particularly responsible work may be established in all industrial sectors.

The wage rates in effect in industry are differentiated according to work conditions mainly in three groups: "cold" work; "hot" and heavy; and particularly heavy and particularly dangerous. But in reality production conditions are distinguished by far greater diversity. At the Volga Auto Plant the extra payments for work conditions are excluded from the wage rate, pooled in a centralized fund and distributed among the workers with regard for individual peculiarities of their work, including its intensity. In sum total with the additional payment for professional skills they amount to up to 27 percent of the wage rate.

The specialization and integration of science, technical progress and product replacement--all these give rise to the need for specialists of the new professions. The formation and accelerated training of such personnel should be stimulated by an increase in wages. A certain trend toward differentiation of remuneration by wage rate has been discerned recently, and salaries with a more pronounced bifurcation between the maximum and minimum level are being introduced. Thanks to this, enterprises experiencing a shortage of workers on, say, the assembly line gain an opportunity to increase the wages for the corresponding category of working people. A less high payment, on the other hand, is established for workers of whom there are comparatively many, which stimulates the mastery of new trades.

It is also necessary to increase the territorial differentiation of remuneration in order that it reflect the tasks ensuing from the plans and enable us to overcome the difficulties in supplying new regions with additional manpower resources and insure the necessary outflow of working people from regions where the number of workers exceeds plan needs. To attract skilled personnel to the regions of pioneer development envisaged by the plan it is necessary to increase their earnings, stimulating the necessary directions and scale of migratory processes. If the new region has, in addition, harsher climatic conditions, higher prices and so forth, it is essential to determine the amount of the wages such that they compensate for the increased prices and then to additionally raise them to attract skilled personnel from other regions.

Thus, for the builders of the Baykal-Amur Main Railroad and servicing facilities a regional coefficient to the wage of the order of 1.7 was introduced. It was also determined that they would enjoy benefits established for persons working in a locality equivalent to the regions of the Far North. The newcomers receive a lump-sum allowance to cover the costs of first-class travel. The Srobybank has been authorized to grant the construction workers credit for settling-in costs on the basis of R300 per worker (to be paid back over 3 years). Unfortunately, the regional coefficients to the wage in a number of locations short of labor do not even compensate for the increased living-cost factors, let alone stimulate an influx of labor resources.

Nor is the insufficient differentiation of remuneration from a sectorial and territorial angle contributing to the desired directions and scale of the introduction of new equipment. The point being that with an insufficiently profound differentiation of the amounts of the wages the introduction of labor-saving equipment is in practice of equal efficiency. But with differentiated amounts of remuneration it is more profitable where the remuneration is higher, where the new equipment provides a greater saving. For this reason the differentiation of remuneration leads to the introduction of equipment precisely in the sectors and regions which make possible a maximum reduction in expenditure on comparatively highly paid live labor. At the same time there is a reduction in the scale of introduction of equipment in spheres with lower remuneration. Society benefits, as a whole.

I would particularly like to highlight the question of the creation at enterprises of effective stimuli to retaining skilled personnel locally. The turnover coefficient in industry is currently intolerably high. Our country has accumulated experience of the use of payments for length of service at a given enterprise. Such extra payments are in effect in forestry operations (for forest-abundant regions), in underground operations in the coal industry, in metallurgy and in a number of other sectors. Extra payments for experience in the job one was trained for on a given farm were established in 1978 for tractor driver-machine operators of agricultural, water resource and forestry enterprises. Previous experience has been taken into consideration in the remuneration of workers and employees of Arkhangel'skaya Oblast and the Komi and Karel'skaya ASSR's since the Ninth Five-Year Plan.

A lump-sum payment for length of service for those working on a three-shift schedule and those involved in a continuous work week was introduced in the textile industry in 1978.

Payment for length of service has been introduced at Ministry of Railways enterprises. Extra payments for previous experience by their very nature reflect the actual effect obtained by a collective thanks to an increase in the professional skills of the workers separated out from the overall effect (and, correspondingly, from the overall remuneration rate) into an independent factor in order to better stimulate the retention of trained personnel locally and secure an increase in labor productivity.

Although the system of encouragement of length of service and previous experience is insufficiently adjusted and the extra payments are not tied in with fulfillment of the plan quotas and are sometimes inadequate, practice has nevertheless proved the positive influence of these incentives. Following the introduction of extra payments in the timber industry in 1966, the turnover coefficient had fallen by almost one-third in 1972. The extra payment for underground workers was increased in the coal industry. The turnover coefficient was reduced by approximately 44 percent. Currently here, where work is just about the heaviest, the turnover percentage is one of the lowest in industry. True, the fact that the level of the average wage in these sectors is higher than the industrial average is reflected in the reduction in turnover in them. According to the data of a selective survey of the USSR State Committee for Labor and Social Problems, turnover in the textile sector in 1978 had dropped 3.2 percent compared with 1976 and 6.7 percent in sectors with a three-shift cycle.

It is advisable to increase the extra payments over the period of the greatest growth of professional skills. This period differs according to sector and specialized field and, on the average, is equal to the first 6-8 years of labor activity. The amount of the payments should be tied in with the working people's fulfillment of their personal plans and the observance of labor discipline. It is better to make the payments monthly and not once a year. Practice shows that the effective norm is an extra payment of the order of roughly 7-8 percent of the wage rate.

Other levers in addition to extra payments are also employed to reduce turnover. Thus in accordance with the Regulations Governing the Construction and Installation Production Association, its workers may be sent to VUZ's and tekhnikums and receive grants at enterprise expense if they undertake to return to work in a given association on completion of their term at the educational institution. A procedure was introduced in 1980 providing for the association and enterprise workers' return of the assets received by them from the incentive funds for cooperative and individual housing construction (in the form of gratis material assistance and the partial repayment of bank credit) if these workers resigned at their own request without valid reason or were dismissed for a violation of labor discipline. A system of additional leave has been established for continuous service

with a differentiation of its amount (in the 11th Five-Year Plan this measure will be extended to workers and employees of industry, agriculture, construction, transport, communications and geological prospecting and hydrometeorological services, whose leave period is 15 work days). Additions to the retirement pensions of workers and employees have been introduced for continuous service at one enterprise. The extra amount is paid for length of service of not less than 25 years and, for women with children, not less than 20 years at one enterprise if at the same time they have a right to an addition to the pension for overall length of service.

The retention of skilled personnel locally could also be assisted by such measures as a worker's reimbursement of part of enterprise expenditure on its training or improvement in the event of his resignation at his own request, the establishment of rules according to which for a certain length of time violators of labor discipline who have switched from one enterprise to another are given a lower pay grade and the time when they are given a higher grade is deferred and an increase in pensions for working people with an uninterrupted long term of service at a given enterprise (a transfer to other enterprises or higher bodies must, of course, be included in the length of service).

Planning wages in dependence on the efficiency of the collectives' work, the planned proportions of development and the location of the production forces will make them a more active accelerator of progress.

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LABOR

PROBLEMS, WAYS TO IMPROVE USE OF WORK TIME

Novosibirsk *EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA* (EKO)
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[Article by A. A. Myasnikov, candidate of philosophical sciences, Central Scientific Research Laboratory of Labor Resources of the RSFSR State Committee for Labor and Wages, Moscow: "Manpower and Work Time: The Reserves Are Not Being Used Well"]

[Text] The decree of the CPSU Central Committee, USSR Council of Ministers, and AUCCTU entitled, "Further Strengthening Labor Discipline and Reducing Worker Transience in the National Economy" aims at rational use of manpower and putting available reserves into use. Meeting these challenges is closely tied to how the law is observed in economic practice and how organizational problems are solved. In our case this means worker transfers within production and the use of work time.

Improving the system of economic management creates more favorable conditions for compliance with the law. Even today, however, enterprises often face a difficult choice when they run up against the discrepancy between the need for workers and their territorial distribution.

In a situation of scarcity of labor resources legal knowledge becomes more important. We will cite an example. A woman employee requested the director of a plant to authorize her to arrive for her shift at 0900 instead of 0700 because otherwise she would have no way to take her child to the nursery school, which opened at 0800. Permission was given as an exception. But when some 200 requests were received the administration did not know what to do and began trying to get permission from the ministry, not realizing that there is a law that allows a collective to establish its own schedule of work.

Transfers Within the Enterprise

The technical re-equipping of production and reorganization of the structure of work positions requires rapid, flexible redistribution of workers. Some of the workers who are released find new jobs away

from the enterprise, but most are placed at the same enterprise. In industry internal transfers involve at least 10 percent of personnel. When the enterprise offers a worker an opportunity to improve qualifications, be promoted, change the type of activity, and move from one production section to another this helps workers satisfy their wants and aspirations and improves interpersonal relations in the collective, which ultimately leads to fewer persons being discharged from work.

Research shows that two out of three workers today are not employed in the specialization in which they began their working careers and about one-third change occupations within the enterprise. Redistribution is even more intensive among primary collectives and production sections. The average number of workers who, after being hired as regular employees of an enterprise, have changed their work place is 40-50 percent. Most of them move from one section to another once, but 14 percent move three times or more.

The need to reassign workers is felt constantly at almost every enterprise; the job of the administration is to find the most harmonious combination of the workers' desires and production interests. The reason for transfer to another shop, section, or brigade must be clearly represented and the transfer system organized so that it satisfies the desires of most of the workers. This in turn presupposes a careful study of the workers' intentions, concentration of the information collected at some center in the plant, analysis of this data, and planned development of steps related to internal transfers within the framework of social planning with full information available to every worker concerning the prospects that go with a transfer.

The Moscow Dinamo Plant, the Leningrad Krasnaya Zarya and Krasnogvardeyets enterprises, and others are introducing elements of such a version of the system of horizontal and mixed transfers. At Dinamo, Krasnyy Proletariy, the Volga Automotive Plant, and several other enterprises schemes are being worked out to move persons employed in unrewarding types of work with a narrow range of wage rates into skilled jobs. For example, a lathe operator may be recertified as a mechanic, lathe adjuster, or quality control worker. A worker may master all the operations along a conveyor line, then move to the experimental room, then to the division where lathes with programmed control are turned out. The conveyor becomes a school and upon completion the worker moves on to more highly skilled work. In large part thanks to a well-planned program of internal transfers the annual worker replacement rate at Krasnyy Proletariy is no more than 3-4 percent.

We must acknowledge, however, that in the national economy as a whole no control over the system of in-house redistribution of workers has been established yet. This applies particularly to transfers on the vertical.

There is a direct relationship between the number of persons discharged and the situation with vertical mobility. Whereas 39 percent of persons discharged have raised their qualifications during employment at the enterprise, 60 percent have not. The qualifications of persons discharged are on the whole lower than average. Twice as many unskilled workers are discharged as others. There are many other indications not only of the great importance of the mechanism of vertical transfers but also of serious problems with its organization.

The law links a rise in the qualifications rating of a worker chiefly with education. The Fundamentals of Labor Law of the USSR and Union Republics states: "When raising qualifications ratings and giving promotions in work, consideration must be given to successful completion by workers and employees of production training, general education, and vocational education and whether they have received higher and secondary specialized education" (p 166).¹ The RSFSR Labor Code observes that "upon completion of production training the worker is given a qualification rating according to the wage-qualifications manual and offered a job that corresponds to the qualification and rating received" (p 166).

According to a different legislative document, however, everything goes the other way around. "A worker is granted a qualifications rating or promoted with due regard for the complexity of the job performed," we read in the General Statutes of the Uniform Wage-Qualification Manual of Worker Jobs and Occupations in the USSR National Economy (p 364). In other words, the job is not offered according to the qualifications acquired; on the contrary, qualifications are ratified depending on the significance of existing work in the shop, section, and so on.

This statute artificially retards growth in worker qualifications and thus comes into conflict with the law. Of course, there may be no appropriate jobs in a certain section, but this means that the worker cannot be used to his full potential.

Meanwhile the awarding of ratings is usually done in conformity with the above-cited General Statutes, which were worked out by the USSR State Committee for Labor and Social Problems. The average qualifications rating of workers, however, is almost universally lower than the job ratings at enterprises (by an average of 0.4-0.6 of a step on the rating scale).² Although this gap has been somewhat reduced in recent years, it still persists.

¹ The pages cited here and in what follows are from "Sbornik Zakonodatel'nykh Aktov o Trude" [Collection of Labor Legislation], Moscow, 1977.

² Kunel'skiy, L. E., "Povysheniye Stimuliruyushchey Rol'i Zarabotnoy Platy i Optimizatsiya Yeye Struktury" [Enhancing the Stimulating Role of Wages and Optimizing Their Structure], Moscow, 1975, p 120.

The qualifications of the worker should be higher than the job rating; this is one of the chief conditions for high-quality labor.

The law obliges administrators to provide young workers who have completed vocational-technical and technical schools and young specialists with "work that conforms to the specialization and qualifications they have received" (p 636). But this point of the law is not always observed either. Many enterprises do not provide graduates of vocational-technical schools with work that conforms to their specialization and qualifications. For this reason young workers are discharged from enterprises each year "at their own request" or for "violations of labor discipline" before they have worked the statutory time according to their assignment. The situation is no better with graduates of *tekhnikums* and higher educational institutions.

The system of vertical mobility cannot be effective enough when it has a one-sided orientation. The law and other regulatory enactments only consider the case of acquiring higher qualifications ratings (with the exception of a temporary transfer to lower-paying work for up to three months for violating labor discipline). Our legislative enactments give us no instructions concerning the question of whether a rating can be lowered if the worker's knowledge no longer satisfies the requirements of the wage-qualifications manual and he is unable to handle the job with his qualifications. With such legal uncertainty many qualifications commissions lack the resolve to lower a worker's rating. But there are times when this is necessary.

Although legislation links a raise in qualifications with growth in the technical and economic education of the workers, in practice, according to the findings of numerous studies, ratings are more often acquired by length of service than by training and education. This gives no incentive to improve one's cultural and technical sophistication, which means that workers cannot fully meet the requirements imposed by the General Statutes. And if we are to be completely consistent, we must admit that there is a need for regular certification, not only for engineering-technical personnel but also for workers, and in this process decisions should be made on both raising and lowering their ratings until the next check on their knowledge and skills.³

The decree of the CPSU Central Committee and USSR Council of Ministers entitled "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality" gives the collectives (Soviets) of production brigades the right, within the system of measures to develop the brigade form of organization and stimulate labor, to recommend to the administration and trade union organization that an employee's rating be changed, following established procedures, according to the work he is doing. This plainly envisions

³ PRAVDA 29 July 1979

a right to raise or lower the rating. We can only hope that this right will be clearly formulated in the appropriate legislative enactments.

This could greatly increase the interest of workers in technical and economic knowledge and enhance their accountability for their occupational skills. A truly manageable and dynamic system of worker transfers on the vertical would become possible, with periodic demotions of those who have fallen behind and promotion of the best employees into the positions vacated. Then it would no longer be necessary to limit growth in qualifications by the complexity of the job. Today workers with high ratings (according to official requirements) often are not such in fact, while truly qualified people have no opportunity to raise their ratings because of the absence of openings. This weakens one of the strongest incentives to raise qualifications and increase productivity of labor. Some people do not mind because they have reached their "limits" and are not threatened by demotions; others do not care to improve because there are no openings with higher ratings.

Promotion and demotion of employees is one of the elements of vertical mobility. Analysis of enterprise statistical reports on transfers among personnel categories reveals curious trends. In many industrial sectors, for example, about three percent of the worker positions each year are filled by junior service personnel, engineering-technical workers, and employees from the enterprise work force. The opposite process, transferring workers to other categories, is less intensive. In recent years it has slowed down even further.

In large part this is the result of cutdowns of administrative personnel, but this is having little effect on reducing surplus positions and is not producing notable results. On the one hand enterprises are forced to transfer some engineering-technical personnel and employees to worker positions without adequate grounds, while on the other hand the natural movement of workers who have graduated from higher and secondary specialized schools into the engineering-technical and employee categories is retarded. This has a negative effect on the stability and social psychological climate of collectives.

Continued development of socialist democracy, mass participation in management, reliance on public awareness, and consideration of public opinion make it necessary to broaden the elective and competitive principles in filling management positions. Attempts made in recent years to test these methods experimentally have shown good results. Experiments have been and are being conducted at 10 enterprises in industry and construction in Krasnoyarsk, Alma-Ata, Frunze, Riga, L'vov, and other cities. As a rule they involve the junior ranks of line and functional managers: foremen, section chiefs, and bureau heads.

Despite the substantial public interest and growing number of supporters aroused by the experiments, they are being conducted very cautiously, on a small scale. Very few enterprise managers are bold enough to take part in them. The thing is that the elective and competitive principles in filling management positions do not have the sanction of legislation. Legal specialists have recently begun thinking about the legal status of these methods. They are looking for a generalized enactment that would regulate these matters. For example, they consider it advisable to issue special laws on "Management," "The Legal Status and Organization of Labor of Administrative Employees," and "State Service." Some work is being done in this area by the Institute of State and Law of the Academy of Sciences of the USSR.⁴

But do we need such an act? In general, do we need any additional legal regulation of transfers of positions within a plant by means of elections and competition? Do we think that the labor collective and its administration are competent to solve such problems by themselves within the framework of existing law? There is no law that prohibits filling management positions by election or competition. The workers have a constitutional right to participate in management and consideration of public opinion is guaranteed by the Constitution, Statute on the Socialist State Production Enterprise, and elsewhere.

The institution of filling positions by election and competition has worked quite effectively for a long time in public organizations, in science, cultural affairs, and education. The USSR Constitution states: "The organization and activities of the Soviet State are structured in conformity with ... the elective principle for all agencies of state power from bottom to top." Why not agree to elections in the sphere of economic management too?

When we analyze the legal possibility of internal transfers of the work force we find that legislative and administrative enactments often contradict one another. The USSR Constitution and labor laws give the production collective broad powers with respect to assignment of workers and approve of mass participation in management and democratic centralism in economic administration. But the administrative enactments which directly regulate economic relations are in fact closer to those who do the work than are lofty legislative enactments. This situation has a marked constraining effect on the self-reliance and initiative of labor collectives.

The time has come for a more precise delineation of the rights of the enterprise administration with respect to labor policy and to give economic managers real power within set limits. This will require

⁴ Rozenbaum, Yu., "Faith in the Law," LITERATURNAYA GAZETA 2 Nov 1977.

appropriate modifications of certain articles of labor law and some departmental regulations. If managers make fuller use of their existing rights and raise their legal awareness, this change will help improve the organization of transfers within plants and promote progress in the fight against transience and in use of the work force.

Work Time

Insuring complete and efficient use of work time is the job of the administration. This duty is formulated in concrete terms in a special section of the Standard Rules of internal labor organization for workers and employees of enterprises, organizations, and institutions adopted in 1972. In practice, however, here is how things stand.

About 14 hours a year per worker on the average is lost just through time off authorized by the administration; according to report data this is 60 percent of all losses of work time in industry. About five hours are lost because of so-called failure to appear for other reasons and entire shifts of downtime; in this "other reasons" means absenteeism. Absenteeism and downtime for whole or partial shifts in fact constitute 15-20 percent of of shift time.⁵

The causes of losses of work time can be subdivided into two groups: organizational-technical (equipment malfunctions, lack of parts, semi-finished pieces, materials, machinery, and the like), and failure to appear for work. Studies show that most failures to appear are unjustified. The administration itself often suggests that workers take unpaid leave because of irregular workloads; this is usually in the first 10 days of the month. At many enterprises, moreover, these days off are often given without written requests from the workers, and no orders and instructions are made out for them. This is especially typical of certain assembly shops at machine building plants. There are some interesting figures on the structure of leaves with administrative permission in Borisov, Belorussia. A questionnaire survey of 1,065 persons identified these causes of failure to appear at work: no work load in production -- 14 percent; taking care of questions related to education -- 16 percent; time for travel to the vacation spot during a leave -- nine percent, and so on.⁶

One of the reasons for failure to use work time involves performance of public duties (in addition to duties envisioned in existing law).

⁵ "Aktual'nyye Voprosy Politiki KPSS" [Timely Issues of CPSU Policy], Moscow, 1976, p 216.

⁶ Sonin, M. Ya., "Sotsialisticheskaya Disziplin Truda" [Socialist Labor Discipline], Moscow, 1977, p 93.

A significant part of public work is done during the working day: Soviet, trade union, Komsomol, and other public organizations hold meetings, conferences, political sessions, and the like. As long ago as the 18th All-Union Party Conference, however, a resolution was adopted "to establish, once and for all, that workers and employees of enterprises and institutions perform their duties for public organizations only during nonworking hours."⁷ In 1968 the Presidium of the AUCCTU adopted a special decree on this subject (p 244). Finally, the 1972 Model Rules of Internal Labor Organization state: "It is forbidden during working time (a) to divert workers and employees from their immediate duties, to call them away from the job to perform public duties; (b) to call meetings or any kind of conferences related to public affairs" (p 499).

The rules are systematically disregarded. The decree of 3 June 1931 on issuing pay during nonworking hours is usually violated. Failure to observe a whole series of other regulations has caused significant losses of work time and failure to utilize the work force.

The inevitable companion of losses of work time is overtime work. It usually occurs not where there is a lot of work, but where it is poorly organized, where losses of work time are greater. For various reasons enterprise administrations ordinarily conceal the true magnitude of overtime work, making up for it by illegal payments and time off, despite the decree of the AUCCTU in 1934 prohibiting compensation for overtime work with time off. At many "good" enterprises hundred of people cut short the time allocated for meals and rest, stay on after the shift ends, and work on days off and holidays because they are convinced that this is the only way they will be able to overcome production difficulties and fulfill the state plan. This is no matter of compensation; the workers are putting in overtime to get their ordinary bonuses.⁸ This is explicitly banned by law.

Deviation from legal regulations entails definite sanctions. Obviously, a violation of labor law can be related to the legal sanctions in the corresponding codes. What we are interested in, however, is the measures envisioned by labor law and other enactments concerned with labor. Here we find the following picture.

In the first place the sanctions are, in our opinion, the least developed part of labor law. In the large "Collection of Labor Legislation" with about 700 legal enactments, there is not a single statute on accountability for downtime, exceeding norms of overtime work, bringing

⁷ "KPSS v Rezolyutsiyakh i Resheniyakh S"yezdov, Konferentsiy i Plenumov TsK" [The CPSU in the Resolutions and Decisions of Congresses, Conferences, and Plenums of the Central Committee], Moscow, 1977, p 93.

⁸ TRUD 23 Sep 1975.

people to work on days off and holidays, unscrupulous reporting on statistical forms, and many other offenses.

In the second place, where sanctions are provided they are not generally used. Article 94 of the RSFSR Labor Code says: "For downtime that is not the fault of the worker or employee one-half of regular wages is paid. No pay is given for downtime that is the fault of the worker." No pay is usually given for absentees. But in the case of downtime that is not the fault of the worker this article is often disregarded. The monthly production of output is frequently distributed by 10-day periods as follows: first 10 days -- one percent; second 10 days -- 19 percent; third 10 days -- 80 percent. In such cases they do not want to think about sanctions; on the contrary, the administration is concerned about how to get average wages for the workers and sets artificially low quotas, thus leveling out the effect of the irregular production rhythm.

Here is another example. Article 63 of the RSFSR Labor Code says: "Work on days off is prohibited." It is true that the next line does allow it in exceptional cases, for example to perform urgent, unforeseen work on whose performance the normal operations of the enterprise depend (p 268). It is not hard to show that certain work is "urgent" and "unforeseen" when the plan is in danger, and where work is done in last-minute rushes the plan is always in danger. Therefore people come to work on days off and the number of "volunteer" work days grows. Plans are overfulfilled and the offenders get bonuses, not punishment. This means that in reality work on days off is not prohibited. It is obvious that the exceptions must be made more definite or the rule should be changed. In this sense Articles 27 and 55 of the Fundamentals of Labor Law of the USSR and Union Republics appear more concrete. In them the exceptional cases where overtime work is permitted are formulated in perfectly clear terms; in addition, because there are always exceptions, overtime work is not prohibited, it is "not allowed generally" (p 234, 237).

In the fourth place, unfortunately, instead of improving existing labor law and steps to see that it is observed, new decrees are conceived by various departments that repeat the same prohibitions. Dozens of decrees have been issued by the AUCCTU, State Committee for Labor and Social Problems, and other bodies in the last decade on the one subject of the schedule of work and rest. Violations have continued, but where they used to violate just one or two regulations they are now violating 20 or 30.

Let us consider the legal questions of the time of beginning and finishing work. The Model Rules of Internal Labor Organization do not establish a rigid framework for this. "In appropriate cases," the rule say, "the length of the working day, including the beginning and end of each day's work and the breaks for rest and meals, is determined

by the shift schedule ratified by the administration with the consent of the local trade union committee observing the established length of work time for the week or other accounting period" (p 499). The regulations do not contain any other guidance on this subject. So the daily schedule of work and rest is determined by the collective itself, by its administration and trade union. The existence of this possibility offers enterprise management great opportunities for improving the utilization of the work force.

The experience of the Leningrad Optical-Mechanical Association imeni V. I. Lenin (LOMO) is interesting. They have taken the following steps:

- a. to monitor timely arrival on the job, each employee turns his pass in to the timekeeper before beginning work and receives it back at the end of the shift;
- b. all employees who appear in the entry hall less than five minutes before the start of work leave their passes with the guard and get it back from the shop and section managers only;
- c. accountable duty officers, chosen from the shop management personnel (shop heads, their deputies, senior foremen, and bureau chiefs), are appointed for the evening shifts in all shops. The duty of these officers is to insure a high level of labor organization and insure that rules of work and discipline are observed.

These measures are just part of the program that is compiled each year to reduce losses and unproductive use of work time. The program is coordinated with the trade union committee and ratified by the general director. As a result, in just one year losses of work time were cut by 13 percent for time off with administrative permission, 26 percent for absenteeism and failure to appear related to violations of public order, and 13 percent for intrashift losses.⁹

The administration of an enterprise and its subdivisions are empowered, with due regard for the technological conditions of production and the law, to institute the schedules of work and rest that are most appropriate to the specific characteristics of the labor collectives, the interests of each employee, and the distinctive features of the everyday life of the workers. In other words, the administration has the right to authorize any collective or workers to work on the schedule that is convenient for it or him. The main problem is to find the most rational balance between the needs of production and the desires

⁹ "Nauchno-Tekhnicheskii Progress i Organizatsiya Proizvodstva, Truda, Upravleniya" [Scientific-Technical Progress and the Organization of Production, Labor, and Management], Moscow, 1974, pp 242-243.

of the workers and organize collective and individual schedules by this "golden mean."

As experience shows, in many production collectives there is no objective necessity to begin and end work and take breaks at the same time. On the other hand, there is a need for variations of the schedule arising from the whole gamut of individual and everyday characteristics of the lives of the workers. For some it is more convenient to start work early, while for others later is better. The reasons may differ from psychophysiological to utilitarian-domestic (remoteness of the home from the job, the necessity of taking a child to nursery school, the need to visit a clinic, and so on). Ignoring these things leads to underuse of the work force because it suppresses the real sources of labor activism.

In our opinion, this need has not been fully recognized by economic managers. At most enterprises there is just one schedule. It usually permits no differentiation or exceptions; this is the result of incorrect ideas about the schedule and labor discipline more than the result of industrial necessity. That is why attempts to fundamentally revise the established approach to the schedule of work and rest have aroused substantial interest.

The experiment of the enterprises in the Estonian city of Kokhtla-Yarve, for example, has received broad publicity. They introduced a flexible work schedule in which the worker himself acts as the "time-keeper." All workers must be at the job for certain hours, but the time of arrival and departure are chosen by the individual within the ranges of 0700-1000 in the morning and 1600-1800 in the evening. Five years of work on this plan has demonstrated its usefulness. It helps strengthen conscious discipline and has a beneficial effect on the attitude of the workers and the psychological climate in collectives while also allowing them the possibility of getting full rest and taking care of domestic concerns (visiting the doctor, domestic services, and the like) at a time convenient to the worker.¹⁰ Of course, such a schedule is not feasible at every enterprise. But where it is possible, it works very well.

The significance of the experiment in Kokhtla-Yarve goes further than just this schedule. The schedule could be different. The experiment offers a fundamentally new approach to the organization of labor and rest, one which permits variations based on the individual wishes of the workers and is monitored by them. Relaxing the regimen and permitting self-monitoring get rid of annoying outside regulation and officious monitoring by the administration. The fewer the restrictions are, the fewer offenses there are. When their freedom is broadened, the internal accountability of the workers for compliance with disciplinary norms increases.

¹⁰ LITERATURNAYA GAZETA 25 Jan 1978.

Rational use of work time is a powerful factor in the economic and social development of the production collective. Enormous reserves are hidden here. A sharp curtailment of losses of work time is not only a pressing problem, but also one that can really be solved. The enterprise administration has the leading role in this. Management personnel have opportunities to use labor more efficiently, and so they should be accountable for shortcomings in this matter. The legal formulas of accountability must be standardized and simplified so that managers understand them and they do not create problems in their application. We cannot hope for an improvement in labor discipline and curtailment of losses of work time without high administrative discipline.

The importance of sanctions must not be exaggerated, however. They follow after offenses. But no kind of control will eliminate offenses until the roots that they arise from are removed. The roots lie in the badly disorganized state of economic relations. Breakdowns in deliveries, in supply, are the fault not only of enterprises, but also of departments and planning agencies. That is why sanctions and monitoring are weak and why they are rarely applied.

The administration is accountable to the extent that it is independent. Progressive experience in this area, which is today of only local importance and is locked in the cocoon of experiments, will break out to freedom some day. And more new ideas will be conceived, for independent management presupposes not obedience, but creativity.

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DEMOGRAPHY

DEMOGRAPHIC POSSIBILITIES IN A JOB-SURPLUS ECONOMY

Regulating Demographic Development

Moscow IZVESTIYA AKADEMII NAUK SSSR. SERIYA EKONOMICHESKAYA in Russian
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[Article by G. M. Romanenkova: "Methodological Bases of Regulating the Demographic Development of Large Cities"]

[Text] The article examines the main trends, methodological bases and principles of regulating the demographic development of large cities. Their dynamic development is advancing as a most important scientific and practical task the need for plan-gearred influence of the course of demographic processes in the desired direction by means of incorporating in the system of socioeconomic plans measures (corresponding indicators) stimulating reproduction of the population.

Large cities perform a leading role in society's socioeconomic development. The concentration therein of science and culture and the sectors determining the scientific-technical level of production and socioeconomic transformations exerts a decisive influence on an increase in social production efficiency and on social progress. At the same time not all problems of regulating the growth of the cities have been solved. The mechanism and regularities of the formation of the population of a large city are not entirely clear, and a system of the factors of its demographic development and the formation of labor resources has not been determined. The rapid development of large cities as a most important scientific and practical task presupposes the need for the plan-gearred influence of demographic processes in a direction desirable for society. The task here is not one of an analysis of the demographic situation. It is broader--determining the regularities and singularities of the demographic development of large cities. Its accomplishment is only possible on the basis of a comprehensive study of all demographic processes and the diversity of their interconnections.

We view demographic development as the totality of the forms of population movement, including natural movement as demographic (biosocial) proper;

mechanical as socioeconomic; and sociodemographic as people's relocation in groups and strata differing in social and demographic composition.

The basic features of the current stage of demographic development in the USSR--a declining birthrate, changes in the structure of the family and the transition to small families, the aging of the population, an increase in mortality as a consequence of this¹ and an increase in the incidence of divorce--are most focused in cities with a population of 1 million and above. This is reason to believe that it is precisely in these that the standard of demographic behavior is formed.

The need to regulate the growth of large cities and, consequently, the need to regulate the numbers of their population advances as a most important task an investigation of the practicable possibilities and ways of regulating the demographic development of large cities. The at first sight impracticable task can be accomplished if we proceed from the fact that urbanization in the socialist society is of a distinctly expressed plan-oriented nature, which insures prerequisites for the harmonious development of the socialist city excluding its hypertropic growth, as distinct from the modern capitalist giant city.

The accelerated growth of large cities, including an increase in the number of cities with a population of 1 million and over (from 3 in 1959 to 18 in 1979),² presupposes a comprehensive study of the regularities of the formation and course of the demographic processes in them and a revelation of the trends, factors and conditions of the development of the population inasmuch as the latter is simultaneously the subject of social production and the object of reproduction of the population, including labor resources.

In regarding population "as a rich totality with numerous definitions and relationships..."³ there should be particular emphasis of its tremendous economic role--it is the basic factor determining economic growth. For this reason the plan-oriented development of social production, in the large cities also, is based primarily on an all-around consideration of the labor resources and their numbers and sociodemographic structure. An objective evaluation of labor sources and resources is based primarily on an investigation of the processes of reproduction of the population and labor resources. Therefore constant observation of the demographic situation and the status of the labor resources, an analysis of changes therein and a revelation of the regularities and trends of their development are of fundamental significance for the scientifically substantiated planning of the development of a city. Subsequently oriented toward the goals and strategy of the development of a city, the knowledge obtained serves as a base for the formulation of substantiated forecasts of the numbers and structure of the population and labor resources and for the adoption of administrative decisions.

A most significant contradiction in the development of modern large cities is the lagging of the rate of natural increase of the population behind the rate of economic growth. The demographic situation in the majority of cities with a population in excess of 1 million, for example, is characterized

by a narrowed reproduction of the population and a deformed age-sex structure: children are represented therein by very small contingents. It has to be assumed that this situation is a model of the future of all cities.

It is methodologically important in studying and forecasting the demographic development of the cities to pay particular attention to the demographic structures of the population, whose manifestation is highly varied. The main criterion of demographic-structure attribution is the role of each given group of people in reproduction of the population (in its narrow and broad meaning). A structural "slice" makes it possible to determine the dependence between demographic and socioeconomic phenomena since a socioeconomic non-equivalence of individual age, sex, family and other groups of the population exists in reality.

Socioeconomic development acts as an intermediary in population reproduction processes. There is a definite link between economic and demographic development. The leading link in this connection is, as K. Marx showed,⁴ social-economic development, which determines the direction and intensiveness of the demographic processes occurring on the basis of the action of objective demographic laws, but experiencing the strong influence of socioeconomic factors. This regularity can easily be traced in how the level of the manpower requirement of the economy of large cities not compensated by the supply thereof within the framework of the city shapes the rate and structure of the increase in population and labor resources thanks to the enlistment of migrants. As statistics show, the leading trend of the modern demographic development of large cities is manifested in the fact that their population increase is due to a considerable extent to migration. Migrants account, for example, for four-fifths of the population increase of Moscow, three-fourths of Leningrad and somewhat more than one-half of that of Tbilisi and Tashkent.

A diminished natural increase in population as a result of the reduced birth-rate and an increase in mortality can be observed in the majority of cities with a population in excess of 1 million (9 of 15).⁵ With the exception of Baku, Minsk and Tashkent, in 1976, for example, 13 cities with a population in excess of 1 million had a lower birthrate than the average for the country, and in Moscow and Odessa the birthrate was 5.7 per thousand, in Gor'kiy 4.9 per thousand and in Leningrad 4.6 per thousand lower, moreover. This type of natural movement has been caused to a considerable extent by the evolved structure of the population of the majority of cities with a population in excess of 1 million.

The one-two-child family is typical of the large cities. The average urban family size in 1970 was 3.5 persons (rural--4 persons). Three-person families predominate in Moscow, Leningrad and Riga. The proportion of two-person families is very high (30 and more percent). The number of single persons is growing.⁶ The family is less stable and marriages are considerably shorter in the large cities, to which the high level of divorce testifies.

It is obvious that the demographic behavior of the population of a large city is distinguished by great peculiarity, which is caused by the impact of an intricate complex of various interacting factors which may be represented in the form of a hierarchical system.

The selection and combination of all the factors in the system and their interlinkage and ranking according to significance and degree of influence on individual demographic processes and the formation of labor resources is a most complex methodological problem whose solution is extremely necessary on the path of the quest for a mechanism regulating the demographic development of a large city.

Sets of factors conditioning the development of individual demographic processes--birthrate, mortality, migration, the marriage rate, the family, formation of the population structure and others--are separated into independent blocks of the above-mentioned system. Socioeconomic factors determining the current demographic situation in large cities are allocated a special block. Among these are:

social and scientific-technical progress as the basis of urbanization, the increase in the number of large cities and the concentration therein of substantial masses of the population and tremendous material and spiritual potential;

large cities' unsatisfied manpower need;

the high level of employment of the entire population and, particularly, women;

city dwellers' increased social mobility conditioned, among other things, by the scientific-technical revolution's demands on the quality of the manpower and the high educational and occupational-skills level;

complication of the conditions of the vital activity and the increased intensity of the rhythm of the life of city dwellers;

disturbance of the ecological balance and the increased risks for the population's health;

the lagging of the development of the services sphere and housing construction behind the growth of the need for them; and

the large city's increased interaction with the settlements surrounding it on the basis of labor relations, including the expansion of floating migration.

It should be mentioned that the list of functional factors incorporated in the blocks does not at this point reveal the mechanism of their action. It has to be supplemented by the idea that the factors could be predominantly

demographic, social, economic or, by virtue of their nonequivalence, socio-economic and sociodemographic, depending on which is the primary attribute. The factors may be both subjective and objective. They may, in turn, operate directly or obliquely, produce the anticipated or the reverse result and so forth.

The methodological bases of the regulation of the demographic development of a large city and, primarily, methodological principles are being elaborated together with the ascertainment of its regularities, trends and factors.

Regulation of demographic development represents a scientifically substantiated purposive (direct or intermediated) influence on the course of demographic processes on the basis of a cognition of the regularities of economic and social development and also of the system of general methodological and specific principles of demographic development. The essence of regulation consists of society's conscious control of the occurrence of sociodemographic processes. The purpose of regulation is the achievement of the necessary (from the viewpoint of a city or the country) demographic situation. Population reproduction processes in all their multiformity are the object of the regulation of demographic development.

In regarding the demographic development of a city as a system incorporating all demographic processes as components it should be borne in mind that any system only develops given the interaction of its structural elements. Study of such an intricate system by methods of different sciences determines its comprehensive nature. The systemic, comprehensive approach is dictated by a number of objective conditions which now determine demographic development.

1. The large scale and complex structure of the object.
2. The dynamism of the constituent elements (particularly at a regional level); for example, the level of migration, birthrate, mortality and so forth.
3. The clearly expressed interdependence of the processes of demographic and economic development.
4. The broad range of alternatives of a solution of the problem of the regulation of demographic development.

The principles of the demographic development of a large city are determined and selected by proceeding from all-state demographic and socioeconomic policy and are subordinate thereto, which obviously presupposes accomplishment of the goals and tasks of population policy under the conditions of a large city on the basis of unified principles and common methods, but with regard for the regional singularities of demographic development.

The subordinate nature of the regulation of the demographic development of a city in relation to all-state demographic policy does not mean, however, that regional policy cannot independently solve certain urgent problems of demographic development.

Currently demographic policy in a large city presupposes the creation of certain conditions which contribute to the realization of the city dwellers' tendencies toward a galvanization of demographic behavior. These are housing construction and the development of the services sphere, the construction of children's preschool and medical establishments, expansion of the scale of labor on the incomplete work day and week schedule, an improvement in work and social conditions at the enterprises, an improvement in the residential environment and others.⁷ Currently up to 30 percent of a city's budget is spent on social measures.⁷ An absolute and relative increase in births of second children has been observed in the past 2-3 years in Leningrad, for example.

In constructing a system of measures regulating the population structure it is essential to take account of the sphere and objects of influence (individual groups of the population depending on the extent of their participation in reproduction of the population). Thus women of the age of active reproductive behavior (18-40); girls reaching child-bearing age; children under 12 months old; men over 35 years old; large families; families of students and migrants; single persons; the younger generation; and so forth could be the objects of the measures implemented in a large city.

In speaking of the principles of the demographic development of a large city we refer to a guiding idea and a basic initial proposition in the development of the subject under study.

We have classified all principles in three groups: 1) general methodological: material nature, scientific character, the historical approach; 2) general --nonspecific, ensuing from the action of the objective laws of plan conformity and proportionality: goal-assumption, comprehensiveness and a systemic approach, determination of priorities, a directive approach, combination of territorial and sectorial interests and coordination of all-union, regional and sectorial measures of demographic policy, including the coordination of measures in the sphere of employment of the population with the goals of demographic policy; and 3) specific, inherent in the given object. For example, the principle of the territorial stability of the population, the principle of the remoteness of the effect of the adopted measures of demographic policy and others.

Subsystems of the specific principles of regulation are also separated out: demographic structures, migration of the population to the large cities and adaptation of the migrants therein. The inadequate effectiveness of the administrative-legal regulation of migration in the largest cities engenders the need for a search for economic and social forms of reinforcing the regulating influence on the course and results of migration processes, proceeding from the interests of the economy of the city and the migrants.

The principles of the regulation of migration in the cities mostly determine the formation of regional migration policy and the effect of the measures regulating migration to the large cities, which must be reflected in the plans of economic and social development. Measures to regulate migration

should be aimed at determining the quantitative and qualitative composition of the migrants and their acclimatization and adaptation in a large city for the purpose of obtaining the greater economic, social and demographic effect of migration.

While noting the tremendous role of migration in the optimization of economic and social processes in large cities its negative aspects should be pointed out.

Thus at present the plans of the economic and social development of large cities do not contain indicators of the migrants' adaptation in a large city and do not provide for special measures geared to their adaptation. However, an understanding of the interconnection of the process of the migrants' adaptation and the social characteristics of a large city make it possible to put work with new settlers on a par with the tasks for controlling the fundamental processes of social development and to show the migrants' contribution to the development of the culture and economy of the country's large cities. The purpose of controlling adaptation consists of reducing the time needed to adapt, retaining the migrants and achieving thereby the high quality of the process.

The proposed system of principles, we believe, determines regional demographic development at a given stage. Consideration of these principles in the development of regional demographic policy is the final goal of research and is methodologically essential.

An instrument of the regulation of demographic processes is determination of the sources and scale of financing of the measures of demographic policy. It is essential in implementing demographic policy: 1) to coordinate the main socioeconomic goals with purely demographic goals; 2) support demographic development financially on a national economic level; and 3) insure the planned interdepartmental and administrative-territorial coordination of the solution of the main problems at the directive level.

With reference to the problem of the provision of the measures of demographic policy with resources this approach signifies the need for a redistribution of resources within a number of sectors for the purpose of achieving a demographic effect. For example, in planning the volume and structure of the services sphere of a city (region) it is advisable to redistribute resources in favor of the development of the consumer service sector and children's establishments, which will make it possible to facilitate the everyday routine of the family and increase mothers' spare time. In other words, in the territorial planning of the services sphere it is necessary to also take into account the directly demographic aspect, that is, the possible impact of the accelerated development of certain sectors on the course of demographic processes, particularly on an increase in the birthrate and a decline in mortality.

In planning the provision of resources for the measures of demographic policy it is advisable to make fuller and more extensive use of enterprise and association assets, particularly the incentive funds.

Regional demographic policy should be embodied in a comprehensive long-term target program organically subscribing to all-state sociodemographic policy and being a component thereof. The regional comprehensive target program of the demographic development of a large city should obviously be formed from constituent unit-blocks. Its elaboration should be preceded by the formulation of a master concept of the development of the population of a city (region) and a system of concepts for each demographic process. I believe it would be wise in building the structure of the program to retain the traditional approach, taking as the basis the principal demographic events--birth, death, marriage and divorce and migration--and also include the "family," "demographic consciousness and behavior" and "population structure" blocks.

The system of measures represented in each block must obligatorily be differentiated according to characteristics of demographic structure and contain organizational, legal, economic, ideological, sociopsychological, medical and other interconnected measures.

The experience of regional demographic policy accumulated in our country and an analysis and collation of the practice of territorial, economic and social planning in the country's three largest cities--Moscow, Leningrad and Kiev--enables us to determine an approximate pattern of the areas and a set of measures for regulating demographic processes and structures for their use in the elaboration of the plan of the economic and social development of a large city.

A most efficient method of implementing an effective demographic policy is the incorporation of its measures in the current and long-term plans of the economic and social development of a city and regions, with which it is possible to implement the master strategy in the sphere of population on a more substantiated basis and with regard for local trends, singularities and possibilities.

This path of development sets new, highly complex scientific tasks for the creation of a consummate basis--procedural and organizational. It is primarily necessary

- 1) to elaborate a methodology of the building of regional long-term comprehensive demographic development programs;
- 2) to solve the problem of strengthening the comprehensive program's linkage with current and long-term plans; and
- 3) to perfect the methods of planning demographic development and the corresponding tools.

We are convinced that a comprehensive territorial plan will only produce the anticipated effect given the correct determination of its indicators. An independent section on the population should be the leading indicator in this respect. There is as yet no single viewpoint in this connection, just as there is no independent "Population" section and a single (standardized) system of demographic indicators. We believe that the independent section "Population and its Reproduction" in the structure of the national economic plans of the economic and social development of the cities and other territories should be represented by indicators which represent the basis for the elaboration of: 1) the economic and social sections of the plan, that is, which perform an official role in planning a city's development; 2) the essential mode of reproduction of the population and measures to stimulate it; and 3) the mode of reproduction of labor resources in the plan period.

Labor resources are a determining factor of medium-term and long-term prospects in the economic and social development of large cities. However, this article will not specially examine the methodological bases of the formation of labor resources. We would merely observe that an objective evaluation of labor sources and potential presupposes a study of the interconnection of the reproduction of the population and labor resources with the process of the socioeconomic development of the cities. The structure of the population is of essential significance here in this connection. In turn, as already mentioned, the economic development of a city determines the evolved structure of the increase in the population of a city and labor resources thanks to mechanical increase and floating migration.

The increasing preferential increase in the employment of labor resources in the nonproduction sphere and the high proportion of women in the numbers of those employed in the economy of the city and their uneven (at times, irrational) distribution in sectors of the economy are specific singularities of a large city.

The above singularities are a certain contradiction: the first to the shortage of skilled personnel, the second to the objective need for a galvanization of women's reproductive behavior.

In the course of further research it will be necessary to ascertain which trends determining the formation and distribution of labor resources at the current stage will be developed in the future and which will assume a transient nature and whether their transformation is possible. It will also be necessary to investigate the factors, directions and criteria of an improvement in the resource situation of the formation of a balance of labor resources of a large city coordinated with the tasks of the city's development. Proceeding from the fact that the effect of social development is predetermined by the unity of socioeconomic and demographic development, the job of research amounts to a quest for their balance.

FOOTNOTES

1. M.S. Bednyy, "Mediko-demograficheskoye izucheniye narodonaseleniya" [Medical-Demographic Population Study], Moscow, Statistika, 1979, p 143.
2. PRAVDA 22 April 1979.
3. K. Marx, F. Engels, "Soch." [Works], vol 12, p 726.
4. See *ibid.*, vol 46, part II, p 102.
5. VESTNIK STATISTIKI No 12, 1977, p 81.
6. See "Itogi Vsesoyuznoy perepisi naseleniya" [Results of the All-Union Population Census], vol VII, Moscow, Statistika, 1974, pp 444-449; 101, 206, 234.
7. G. B. Polyak, Ye. V. Sofronova, "General'nyy plan i byudzhety Moskvy" [Moscow Master Plan and Budget], Moscow, Finansy, 1973, p 22.

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Social Infrastructure

Moscow IZVESTIYA AKADEMII NAUK SSSR. SERIYA EKONOMICHESKAYA in Russian No 4, Jul-Aug 80 pp 61-68

[Article by A. V. Baranov: "Social Infrastructure of a Large City"]

[Text] The article examines four principles of planning the social infrastructure. Under the conditions of developed socialism the level of development of the social infrastructure should be evaluated from the viewpoint of securing the conditions for reproduction of the population in a quantity and quality necessary to a city, which, ultimately, is connected with the need for correspondence between available jobs and labor resources.

The appearance in scientific circulation of a new term testifies either to the discovery of a new object of research or a qualitatively new viewpoint concerning a known object. The term "social infrastructure" in Soviet economic science has become necessary, we believe, to express a new view of the social-economic phenomenon known as the service sphere, which incorporates such sectors as housing and municipal services, transport and communications, trade and public catering, consumer services, education and training and public health and social security. The social infrastructure is the sphere of service from the viewpoint of its ultimate social effect or, in a different way, of provision of the conditions for reproduction of the population in the proportions and quality needed by society. It is also a

social norm for an evaluation of the conditions of the population's vital activity. The numerical indicators of the conditions historically change, and even the sectorial composition of the infrastructure may change (an information-service sector must appear in the future, for example), but the functional criterion, in accordance with which, properly speaking, the social infrastructure also is determined, remains constant.

Reproduction of the population in the socioeconomic sense is characterized by a collection of indicators such as numbers, age-sex structure, state of health, occupational-cultural level and level of social activeness. Until recently reproduction of the population was viewed as a natural process not susceptible to planning. The shortage of labor resources has made this viewpoint dubious. It is possible on the scale of a city to control population reproduction without restricting individual freedom of demographic behavior.

All the above-listed indicators of population reproduction respond to direct and indirect regulation, and development of the services sphere is one of the principal means.

The infrastructure incorporates enterprises and facilities whose economic and legal position has largely been specified. It is important to emphasize such a singularity of the social infrastructure as its fusion with a certain territory and the nontransportability of its services. It is always localized in the geographic range of the day-to-day vital activity of a population which is sufficiently large, but limited in number, that is, on a city or urban agglomeration scale. The planning of the development of the services sphere, that is, the local social infrastructure, should be attached to a definite community and at the same time cannot be isolated from the planning of the national economy as a whole.

The services sphere in capitalist society exists as a multiplicity of individual enterprises for the production of mass consumer goods and services for the purpose of obtaining profit. Functioning within the framework of market relations, it is regulated by supply and demand categories. Satisfaction of the public's requirements here is not the aim of the activity of the provider of the services but a form of the limited nature of effective demand. This objective situation is correspondingly reflected in bourgeois economic theory. K. Marx observed that "consumption viewed not only as a product but also as an ultimate goal lies, properly speaking, outside of (bourgeois--A.B.) political economy."¹ Only in the socialist society do social aims--provision of the conditions for normal vital activity--become the objective and recognized function of the services sphere: reproduction of a healthy, professionally trained and socially active individual--this no longer being just a family affair but the concern of society.

Until recent years the services sphere was not planned as a unified whole, and for this reason the need for an analysis of the principles of such planning did not arise. In connection with the development of a comprehensive program of socioeconomic development for the long term (for the country and,

in particular, for large cities)² the methodological inadequacy of extrapolation, that is, seeing the future as a continuation of the present, became obvious. A need arose for a study of the theoretical prerequisites and general principles of planning itself conditioned by evolution, that is, the constant growth and structural and functional changes in the consumer service sphere.

The systematic lagging of the introduction of cultural-social enterprises and establishments and also housing behind the introduction of production facilities in old and new cities has deep-seated objective sources in the very understanding of the services sphere as a nonproductive sector of the economy. From the viewpoint of social production, expenditure on the services sphere is nonproduction expenditure and, consequently, should be minimized as far as possible.

It is not conceived of as being possible to substantiate norms of the services sphere or a definite living standard of the population from the standpoints of the "production principle," that is, not leaving the framework of economic theory. And the norms of personal consumption and the services sphere are devised by proceeding partially from man's biological requirements and partially from the ethical arguments of the socialist society. Correspondingly, the mechanism by means of which the growth of the prosperity of the people as a whole and a differentiated living standard for regions of the country are secured is not so much economic as sociopolitical. From this viewpoint the main criterion of progressive development is, naturally, taken to be the increase in prosperity, and an adequate planning method--"from what has been achieved."

The growth of the production of consumer goods and services could undoubtedly serve as an indicator of an increase in prosperity. But a simple increase in the production of material wealth is only justified for historically limited periods, namely, for conditions and situations of an acute shortage of the necessities of life, that is, on the occasions when the soundness, rationality and logical nature of demand cannot be doubted. In such a situation the sole controllable parameter is the volume of capital investments to maintain and develop elements of the services sphere. Correspondingly, the number of facilities built and establishments commissioned is considered the indicator of development. However, at the stage of developed socialism, when the minimum satisfaction of urgent requirements has been secured for all, a simple increase in the production of goods and services without consideration of the dynamics and structural changes in the composition of social requirements is insufficient.

The "production principle" of planning the services sphere at best presupposes constant the correlation of the amount of national income channeled into consumption and the development of the services sphere and the amount produced in a region. But the strategic task of surmounting the differences in the living standard of the population of individual regions demands, among other things, a distribution of capital investments in the services sphere not in proportion to this region's role in the production of the

country's aggregate product: the principle is in reality supplemented by the principle of social leveling. Thus a city's lagging in this indicator or the other behind the average for the country serves in planning practice as an additional argument in justifying required capital investments in the services sphere. The principle of social leveling is the basis of the "Construction Norms and Rules," which is the best-known normative document of planning the consumer service sphere.

However, average indicators which are unified for all cities are by no means the optimum indicators for all. Optimum norms should take account of local climatic conditions, a city's functional profile, the demographic situation and the cultural traditions of a region. A worker settlement, for example, might be content with a less powerful infrastructure than a large city since in addition to servicing a large contingent of temporary population³ (tourists, for example) the latter is called on to reproduce labor resources of a higher occupational and cultural level. Specialists with the highest qualifications are trained almost exclusively in the large cities, where the overwhelming majority of VUZ's is located. This is a specific function of a large city.

The demographic situation in large and small and old and new cities different in national culture and traditions sometimes requires a considerable adjustment to average norms. Thus in large cities the proportion of women employed in social production is higher, as a rule, than in smaller cities,⁴ and, consequently, in a large city there is a greater need for children's preschool establishments (per 1,000 children). For this reason the proposition concerning the even distribution of facilities of the services sphere on the country's territory proportionate to the numbers of the population for the purpose of leveling the living standard in the cities and the countryside and in large and small cities should not be made an absolute.

Despite all the difference in the "production" and "social" principles of planning the services sphere, they have something in common. The principles of planning the social infrastructure in question proceed from the fact that the population's requirements are not subject to regulation in magnitude, in "assortment" or in structure. But the time is approaching for planning the social infrastructure "per requirements" or, more precisely, in combination with the planning of requirements. An integral indicator of the effectiveness of the development of the services sphere is the indicator of the extent of satisfaction of the population's requirements manifested in the individual indicators of the intensiveness of the population's social-production activity and the entire way of life, which, of course, also depend on other factors.

The "requirement" category is acknowledged in political economy literature to be the "'key factor' and point of departure for man's decisions both with respect to the outside world and other people and with respect to himself."⁵

Man's social requirements may be defined as his counterrequirements of society in response to the functions assigned him. For this reason the nonsatisfaction of the requirements should be reflected in man's performance of his functions and the distribution of his activity with respect to the totality of goals. The intensiveness and quality of labor and social activity are connected to a considerable extent with the level of satisfaction of requirements; it influences birthrate, morbidity and mortality indicators; and the structure of the time budget and the whole way of life depend on it.

The level of satisfaction of the population's requirements is also reflected in the functioning of the infrastructure. A sufficiently high degree of nonsatisfaction, that is, an imbalance between the living standard and the level of requirements, leads to the spread of various forms of their regulated distribution and, as a consequence, to the emergence of profiteering, embezzlement and so forth.

The plan should thus include both target and functional and also control indicators of possible dysfunctionality. In other words, the plan determines not only the goals but also the indicators setting the permissible boundaries of the negative phenomena (economic, social and ecological losses) accompanying the development.

If the optimum indicators of the development of the services sphere should proceed not only from their increased provision but also from the degree of satisfaction of requirements, it is necessary to know the magnitude of the requirements, differentiated by age and social-occupation group. Sociological studies could be of appreciable assistance here. Regular sociological surveys of the satisfaction of requirements and the ascertainment of public opinion concerning the work of the services sphere could evidently assume a feedback function from the consumer to the planning authorities and the provider of the services.

The normative method of the calculation of requirements, on the basis of which, for example, a "rational consumer budget" or a "minimum consumer budget"⁶ are developed, cannot perform this role for at least two reasons. First, it is exceptionally difficult to substantiate social consumption norms by special methods and, second, rational norms presuppose too great a standardization of the way of life of different age, social-occupational and cultural groups of the population. Workers of different qualification levels and, consequently, different outlays by society on their training are needed under the conditions of the existing occupational division of labor. In the developed socialist society both an unduly great differentiation in consumption and an unduly small differentiation are dysfunctional.

The "quality of life" concept, which is intended to take into account simultaneously both the level of provision and the extent of satisfaction, has appeared in Soviet and foreign economic and sociological literature in recent years. There is much that is debatable in the current interpretation of this concept.⁷ In addition, it does not translate straightforwardly

into quantitatively assessable indicators. Development of the "quality of life" concept presupposes a somewhat different view of provision and requirements. In this case the accent shifts from the quantitative aspect of satisfaction for each type of benefit and service to optimization of the structure of the requirements and man's orientation toward the formation of requirements of a higher class of values. Under the conditions of socialism this could be a "working" concept and be used in people's developments for the general orientation and substantiation of indicators for the future.

The quality of life concept could take account, among other things, of certain advantages of man's living conditions under socialism which are currently reflected insufficiently in the living standard indicator. Provision of the population with benefits and services is now determined in physical indicators and by value. But, for example, an automobile in private use and a taxi, while identical in their production costs, are entirely different in the volume of satisfaction of the population's movement requirements, that is, in their consumer value. The totality of consumer values and the wealth of a city or society differ appreciably depending on how the durables are employed therein--individually or collectively. The effect of this increase in wealth, without an increase in the number of objects of consumption, is organically connected with the accessibility (space-time, economic, legal and cultural) of elements of the infrastructure of different groups of the population.

The final principle of planning the consumer services sphere, which is the most important for today and which presupposes just such an attitude toward the services sphere as toward the social infrastructure, is the principle of the proportionality of the development and optimum functioning of the socio-economic system (in this case of a city) as an integral organism.

The principles of the planning of the consumer service sphere in question--production, social-equalizing and per requirements--do not set a precise functional-economic criterion of the degree of development of this sphere. Such a criterion may essentially only be obtained upon a comparison of its development level with the population reproduction indicators, primarily the reproduction of labor resources.

The optimum numbers are determined not by the size of a city but by the balance within the city of labor resources and jobs on the one hand and the capacity of the social infrastructure of the other. The age structure of the population has been characterized in recent decades by aging, a process which is today considered uncontrollable and irreversible.

But on the scale of an individual city the age-sex structure of the population could be an object of control insofar as it is subject to a certain degree of adjustment thanks to migration. Reproduction of the cultural-professional level of the population and the labor resources, taking the acceleration of scientific-technical progress into account, may only be considered optimal given an increase in these indicators.

Reproduction of the population has never before in practice been put forward by society as a goal of control; labor resources were reproduced naturally. Urbanization has given rise to a trend toward the partial socialization of this function. The socialist society has consciously assumed some of the concerns about reproduction of the population, but only with the appearance of plans of social development in the cities is reproduction of the population beginning to acquire an independent specific appearance.

The plan of a city's social development cannot be a sum of the plans of all enterprises in the city. An enterprise plans to provide itself with manpower, but it is only possible for a city to plan the reproduction of the population, although the reproduction of labor resources remains the key indicator here.

A decisive circumstance which predetermined recognition of the different viewpoint concerning the consumer services sphere--the attitude toward it as toward the social infrastructure--was the emergence of a shortage of labor resources.⁸ A shortage of labor resources emerges initially in large cities and subsequently in other areas. Today this is no longer a local phenomenon. As is known, in the 1980's, on the one hand there will be a sharp decline in the increase in labor resources because of the reduction in the contingents of young people reaching able-bodied age owing to the sharp decline in the birthrate in the 1960's. On the other hand, the reduction in the rate of increase in jobs which has been discerned is proceeding very slowly. In this connection we must expect an increase in the imbalance between jobs and labor resources and, consequently, the reduced efficiency of the use of fixed production capital.

In a certain historical period a growth in production and an increase in its economic efficiency are possible thanks to an increase in the proportion of production accumulation and a reduction in the proportion of consumption in the national income. Under the conditions of the increasing surplus of jobs it is economically expedient to appreciably increase the proportion of consumption in the national income and reduce the proportion of production accumulation. Otherwise a slowing of the rate of economic growth, a further reduction in the capital-output ratio and so forth are inevitable.⁹

The surplus of jobs over the numbers of the economically active population cannot, in our view, be considered absolutely dysfunctional. It can be acknowledged that a surplus of jobs is just as logical for the developed socialist society as the existence of a reserve army of labor under capitalism. The surplus of jobs is also of social significance in addition to economic. The availability of a certain number of vacancies is an essential condition of the occupational mobility of labor. Furthermore, to prevent structural unemployment the proportion of vacancies should increase proportionate to the multiplication of the occupational diversity of the labor resources and jobs. If an evaluation of a surplus of jobs is approached only from the viewpoint of the interests of the individual worker, it is beneficial for him to have the widest possible choice of jobs. But from

the viewpoint of society a large number of vacancies also has a negative social effect, for example, a reduction in labor discipline or an excessive drop in the birthrate as a consequence of the enlistment of virtually all able-bodied women in social production.

The optimum magnitude of a certain surplus of jobs under the conditions of developed socialism should be determined according to a socioeconomic criterion, that is, one characterizing the efficient use of embodied and live labor, fixed capital and labor resources. The economic expenditure of society (in the form of surplus jobs) on insuring for each freedom of choice of work in accordance with his occupation should not be excessive; it has a ceiling from the viewpoint of the optimum functioning of the socioeconomic system.

The population's rising living standard is making increased demands on the services sphere. This presupposes, in turn, an increase in the proportion of the infrastructure's fixed capital. A number of foreign researchers believe that at the current level of scientific-technical progress and urbanization the optimum share of infrastructural fixed capital in the economy's entire fixed capital should constitute approximately 50 percent. This is probably an optimum indicator for individual countries and regions, but it cannot be synonymous even within the confines of a single state.¹⁰

The proportion of the infrastructure's fixed capital roughly corresponds to this indicator for the USSR as a whole. At the same time attention is attracted by the fact of the coincidence in time and synchronism of the emergence of a surplus of jobs and a reduction in the proportion of infrastructural fixed capital.

Among the factors determining the necessary level of development of the social infrastructure are specific and local factors which are invariant for different social systems. A factor on which the level of the necessary development of the social infrastructure largely depends is the distribution of the able-bodied population's time between work in the home (including the raising of children) and social-production activity outside of the home. This dependence may also be expressed thus: the "capacity" of the social infrastructure should progressively (exponentially) increase proportionate to the increase in the proportion of women employed in social production in the total number of able-bodied women.

Proportion of Fixed Capital Per Sector of the Economy

Sector	1965	1970	1978
Industry, construction, science	47	49	53
Housing and municipal services, transport and communications, trade and public catering, material-technical supply, consumer services, public health, education	53	51	47

*Calculated from "Narodnoye khozyaystvo SSSR v 1978" [USSR Economy in 1978], Moscow, Statistika, 1979, p 41. The first line includes the fixed capital

of certain nonproduction sectors, for example, culture and art, which should be attributed to the infrastructure. But the second group includes the capital of material-technical supply and certain other sectors of material production. While not canceling each other out, these two sets of inaccuracies in any case minimize the overall inaccuracy.

A second important factor determining the social infrastructure requirement is the labor resources' cultural-occupational level. Comfortable housing conditions and more developed consumer services and public catering are necessary in addition to a larger number and better quality of educational and cultural establishments. The value of nonworking time saved in the services sphere is proportionate to the level of education and skills.

The results of what has been said may be reduced to three conclusions:

First, consumer service sphere enterprises and establishments have a general function which is today of purely practical significance and is economically relevant for the country as a whole, primarily for the large cities, in connection with the shortage of labor resources.

Second, the plan's economic indicators of the operation of sectors of the services sphere do not reflect their contribution to the ultimate effect of the functioning of this sphere of the economy. It is necessary to formulate socioeconomic indicators of the functioning of the consumer services sphere as of the social infrastructure.

Third, enterprises of the consumer services sphere are not yet united organizationally even within the confines of a single city. The first steps in this direction were taken in practice in connection with the elaboration of and organizational support for the comprehensive plans of the cities' economic and social development. The social infrastructure as an independent economic subsystem has yet to become a subject of serious scientific research as an integral phenomenon.

FOOTNOTES

1. K. Marx, F. Engels, "Soch." [Works], vol 46, p 1, p 25.
2. See "The Elaboration of Target Comprehensive Programs. Procedural Instruction," *Ekonomicheskaya Gazeta* No 13, 1980.
3. For Leningrad, for example, the number of temporary residents fluctuates from approximately 200,000 in the winter period to 800,000-1 million in the summer months.
4. For example, in Leningrad women constituted 56.1 percent of the total employed in 1975, whereas the figure for the country as a whole was 51 percent. See "Narodnoye khozyaystvo Leningrada i Leningradskoy oblasti v 1975 g. Statisticheskiy sbornik" [The Economy of Leningrad and Leningrad Oblast in 1975. Statistical Collection], Leningrad, Lenizdat, 1976, p 93.

5. V. G. Afanas'yev, "Chelovek v upravlenii obshchestvom" [Man in Control of Society], Moscow, Mysl', 1977, p 218.
6. See V. M. Rutgayzer, O. P. Sayenko and A. L. Malov, "Methodological Questions of the Development of a Budget of Minimum Material Provision," IZVESTIYA AKADEMII NAUK SSSR. SERIYA EKONOMICHESKAYA No 4, 1979, p 10.
7. See, for example, Ye. I. Kapustin, "The Socialist Way of Life as a Socioeconomic Category," VOPROSY EKONOMIKI No 12, 1974, p 8; B. L. Tsypin, "Rabochaya sila i eye osobennosti v period razvitogo sotsialisticheskogo obshchestva (Ocherk teorii)" [Manpower and its Singularities in the Period of the Developed Socialist Society (Theoretical Outline)], Moscow, Nauka, 1978, pp 84-85.
8. According to our estimates, there was a shortage of labor resources in the USSR as a whole in the 1970's even:

Year	Number of jobs (millions)	Numbers of economically active population (millions)
1965	95.3	102.1
1970	110.1	105.4
1975	120.4	112.3

Calculated from the statistical yearbooks "Narodnoye khozyaystvo SSSR v 1974 g." [USSR Economy in 1974], Moscow, 1974; "USSR Economy in 1975," Moscow, 1976; and "Narodnoye khozyaystvo SSSR za 60 let" [USSR Economy Over 60 Years], Moscow, 1977 (for the corresponding years).

9. See L. Abalkin, "The Intensive Type of Reproduction and Problems of Plan Balance," PLANOVOYE KHOZYAYSTVO No 11, 1978, p 63; N. A. Shokin, "Correlation of the Social and Economic Effects of the Socialist Economy and the Prerequisites of an Increase Therein," IZVESTIYA AKADEMII NAUK SSSR. SERIYA EKONOMICHESKAYA No 3, 1978, p 5-6.
10. R. Vitebskiy, "Regional Developments in Expenditure on the Infrastructure," VOPROSY EKONOMIKI No 9, 1978, p 48.

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LITHUANIAN DEMOGRAPHIC DATA DISCUSSED

Vilnius SVYTURYŠ in Lithuanian No 13, Jul 80 pp 15-16

[Article by Antanas Mercaitis: "What Became Clear After We Were Counted"]

[Text] Between the size of population and the economy there are important and close mutual ties. Material and spiritual wealth is attained through man's labor. Population participating in public production is the most important productive force of the society. Finally, the development of all our economy and people's prosperity depends on the population's structure (education, professional preparation, age, sex, health, etc.).

Although we do not yet have all the data of the 1979 population count of the Union, it is already possible to draw certain conclusions concerning the changes in population. First of all, the demographic situation in our country has a definite regional character: in some republics the population grows rapidly and in others very slightly. According to population counts for 1970 to 1979, the fastest population growth was in the Uzbek, Tadzhik, Khirgiz, Turkmen, Armenian, Azerbaydzhan, and Kazakh republics. Although the population of the mentioned republics comprises only 18.8 percent, i.e. less than one-fifth of all the population of the USSR; they represent 76.3 percent of the total population growth, i.e. over three-fourths. While the population of the Ukrainian SSR, for example, exceeds that of the Uzbek SSR 3.23 times, between the last two population counts the population increase in Uzbek was 1.37 times greater than in Ukraine. The count has clearly shown, therefore, that the largest population growth is now in the Central Asia republics of Kazakhstan and Azerbayizhan.

The population of the Lithuanian SSR increased between the two counts by 270,000 or 9 percent. This corresponds to the rate of population change in the USSR and the proportion of the inhabitants of the Lithuanian SSR among the population of all the USSR remains unchanged--it comprises 1.29 percent.

The size of population is increased mostly by natural growth, i.e. the difference between births and deaths. Between the last two counts it came to 75-76 percent and during certain years to even more. The migration

balance in favor of arrivals is slight. In the total population growth it comes to about one-fourth and in recent years the migration balance has stabilized. It is doubtful that it will increase in the future and it may even decrease. The natural growth of the population in the neighboring republics of the RSFSR, Byelorussia, Latvia, Estonia, and Ukraine is smaller than in our republic and the neighbors too are lacking labor force.

On the other hand, in recent years the move to Siberia and the Far East has been ever more encouraged. Reserves of many most important natural resources--oil, coal, gas, metal, and forests are concentrated exactly in these regions and they must be exploited. At the same time, the population in these regions is not very large: the Siberian and the Far East regions take up 57.3 percent of the territory of our country but only 10-11 percent of the country's population live there. Therefore, the population density per one square km. is five times less here than on the average in the USSR. While developing the economic potential of the Siberian and the Far East regions, migration to these parts of the USSR is justifiable and sufficiently prospective, therefore, it is also encouraged materially.

As mentioned already, the absolute migration balance is stabilizing, in the general population growth, however, its specific gravity may even increase somewhat. This would not be caused by an increase in arrivals but by the diminishing growth of the general population.

Since the natural changes in population are decided by the number of births and deaths, let us see how these processes occur.

Of the post-war years, in 1961 we had the greatest absolute number of births--62,775. We will remember that in 1940 it was much greater--67,619. After 1961 the births have decreased and by 1978 only 51,821 infants were born. Now each year almost 11,000 fewer babies are born than in 1961. This greatly decreases the population growth. It is not difficult to compute: if every year the same number of babies were born as in 1961, then between 1962 and 1978 there would have been 146,000 additional babies born. Thus the decrease is important. Now, according to the general birth rate, i.e. according to how many births per 1,000 population, Lithuania is considered one of the republics with a low birth rate. In this group, besides our republic, belong the RSFSR, the Ukrainian, the Byelorussian, the Latvian, and the Estonian SSR. And we do really have few births: in 1960 there were 22.5 per 1,000 population and in 1978 it decreased to 15.3.

Naturally, the general birth rate is greatly affected by the structure of population's age and sex. But even specific birth coefficients per 1,000 women of child-bearing age, however, show an unfavorable situation.

Women's Age	Births per 1,000 women of appropriate age groups	
	1958-1959	1977-1978
15 to 49 years old	82.8	58.9
Under 20 years old	14.4	25.3
20-24 years old	125.9	148.4
25-29 years old	156.5	130.9
30-34 years old	119.2	71.2
35-39 years old	77.0	35.1
40-44 years old	27.8	10.3
45-49 years old	4.5	0.8

As we can see, the general specific birth coefficient decreased by 29 percent. Other important changes have also occurred: the births have increased among the youngest age groups--those below 25. Births have greatly decreased among the 25-29 age group. They were particularly low among the older age groups. In our republic there are only 10 births per 1,000 women 40-44 years old and in Tadzhik, for instance, there are as many as 111; in Turkmenistan 102; and in Uzbek 82. One must speak, therefore, not of physiological characteristics of organism but of a conscious limitation of the number of children in families.

Just from the birth coefficient according to age groups, one can see that in our republic the family of one or two children is becoming firmly established. This is clearly shown by the distribution of infants according to the sequence of birth. In 1961 the first and secondborn comprised 70.7 percent of all births and in 1978 they comprise as much as 82.3 percent.

Although indirectly, the change in birth rate is characterized by the average size of the family. Usually, with the low infant mortality rate, the more births there are, the larger is the average family. In our republic the size of the average family tends to decrease: in 1959 it consisted of 3.6 persons; in 1970 of 3.4; and in 1979 of only 3.3 persons.

All the provided data characterizing birth processes permits to state that according to birth intensity, our republic moved to a small family, created by a conscious limitation of the number of children. Such type of family is now most widely spread in the USSR and includes the greater part of the country's population.

And yet, we cannot forget that for a long time Lithuania differed from the Baltic republics by its markedly higher birth rate. Now we are losing ever more this edge.

Republics	Births per 1,000 population		
	1940	1970	1978
Lithuania	23.0	17.6	15.3
Latvia	19.3	14.5	13.6
Estonia	16.1	15.8	14.9

In 1978, as compared to 1940, the births decreased in Latvia by 29.5 percent, in Estonia by 11.2 percent, and in Lithuania by as much as 33.5 percent. In 1940 the birth rate in Lithuania was 19 percent higher than in Latvia and 43 percent higher than in Estonia but in 1978 Lithuania surpassed Latvia by only 12 percent and Estonia by less than 3 percent. As we can see, already in the near future our birth rate may completely equal that of Latvia and particularly of Estonia.

The natural population growth is also affected by mortality rate. During the years of the Soviet administration, with the introduction of free medical care, the continuous care of people's health, the death rate has greatly decreased. In 1940 there were 13 deaths per 1,000 population and in 1960 only 7.8. By the way, during the later years the influence of population's aging became ever more apparent and while slightly, the death rate increased. In 1978, for instance, there were already 10 deaths per 1,000 population.

Thus, primarily because of these two reasons--the decreasing birth rate and a slightly increasing death rate, the natural growth of population in the republic is decreasing rapidly: in 1960 it was 14.7 per 1,000 population and by 1978 it was only 5.3.

The prognosis for the coming half-decades concerning the size of population is also not overly optimistic: it is predicted that births will decrease even more and that deaths may even increase somewhat. This should be kept in mind, particularly since birth and death processes have important, first of all economic consequences.

Those born after 1961, when the birth rate continued to decrease, are now reaching the employable age. At the same time rather large groups are leaving labor force because of age. Because of such numerically unequal turnover of generations, the general growth of population of employable age is naturally decreasing. And this presents new demands on our economy. The intensification of production and improvement of its efficiency are gaining an ever greater importance.

Quite often it is assumed that the situation could be improved by increasing the birth rate. Even if the invitation to bear more children found a response, it would be twenty-first century before these infants grew up,

were educated, and became productive. In other words, the gains from this would not be seen soon. But even this does not lessen the problem. If there are few births now, after 18-20 years there will rise another wave of diminishing number of births and this is totally undesirable for the economy.

How could we block the foreseen decrease of employable age population growth? It seems that first of all we must improve the use of the available labor reserves and to use them most efficiently.

The employment of the population has now reached such level, that practically almost all people of working age are either employed in public production or are studying. To apportion these people among the individual branches of the national economy, among the many professions, is not easy to do. It is enough to make a mistake somewhere and we will feel the lack of labor force immediately.

The largest part of the employed population of the republic works in the material production branches. In 1978 as much as 76.6 percent of all the population employed in the national economy worked here, i.e. more than in many economically developed countries. Are even more workers needed here? It appears that everything depends on technical and economic levels of production. But the most important directive is clear: wanting to better satisfy not only the material but also spiritual needs of the population, ever more people should be directed toward the non-industrial sphere. In 1978 the number employed in the branches of non-industrial sphere increased by 70.8 percent, as compared to 1965 and in the branches of material production sphere it increased by 10.9 percent only. In 1965, in the branches of non-industrial sphere were employed 16.6 percent. These are nice figures, no doubt and they could be even better but the conditions for such distribution must be created by the material production sphere itself. Where are hidden such possibilities?

As it has been often mentioned in print, the agricultural mechanization is not yet such that we could release more workers. Secondly, seeking to provide the best possible working and leisure-time conditions for the agricultural workers, we also cannot reduce the number of agricultural workers or people serving them. Thirdly, Lithuania is a republic with a well developed agriculture: 67 percent more per person of general agricultural production was produced here during the years 1976-1977 than on the average in the Soviet Union. More people, therefore, are engaged in agricultural work. Fourthly, there is much seasonal work in agriculture and the available work force cannot always cope with the chores of spring, summer, and particularly of autumn. The fact that for many years now, during harvest time in particular, engineers and scientific workers perform manual labor in the countryside, also indicates an unfavorable demographic situation: neither agriculture, industry, nor science has enough extra people who could be spared to those branches of the national economy where they are needed most.

In construction there already is a shortage of workers and in many construction organizations the number of workers has even decreased in recent years. Our eyes, therefore, turn and have to turn toward the branch where most people are employed--toward industry.

The industrial production must grow continuously. No one has any doubt about this. Otherwise we could not assure the rise of people's standard of living. This rise, however, must be achieved not by increasing but by reducing the number employed in industry, i.e. by ever more intensifying the industrial production.

The republic's industry in general is developing rapidly. During the years 1961-1965 only 44 percent of production growth were achieved on account of increased labor productivity: during the years 1966-1970 it increased to 58 percent and during the years 1971-1975 to as much as 81 percent.

Unfortunately, the projected growth rate of labor productivity has not been achieved during the years of the tenth five-year plan. During four years labor productivity increased by only 12.6 percent instead of the 17.9 percent projected in the five-year plan. Only 72 percent of production increase, therefore, was obtained on account of labor productivity. This clearly shows that there is more work force in industrial enterprises than it should be as is required by production intensification goals.

Naturally, wanting to justify the growth of the ranks of industrial workers, many excuses can be found. But one of the basic, no doubt, is that still too many workers are performing unskilled and unproductive manual labor, the largest part of which consists of various transportation, loading, and storing jobs. In 1979 the Central Statistical Administration of the Lithuanian SSR did an audit of the enterprises of machine construction and metal processing industry, which showed that in this branch of industry, as much as 38.2 percent of the workers performed manual labor. Furthermore, if we added to this the work of coordinating and repairing machines and mechanisms, it would reach 49.3 percent, i.e. it would show that almost half of the workers in this branch performed manual labor.

The problem of manual labor is a problem not only of our republic's industry. In the decision of July 12, 1979 of the Central Committee of the CPSU and the Council of Ministers of the USSR: "Concerning the improvement of planning and strengthening the influence of economy machinery in raising production efficiency and improving the quality of labor", the reduction of manual labor is treated as the most important problem to be solved in the nearest future. Now it is very vital to take care of production of mechanization means, to centralize repair jobs, etc. Instead of doing it more quickly in the industrial enterprises themselves, quite often it is waited for these problems to be solved on the national level.

Those enterprises which do not wait but show the initiative, usually achieve quite satisfactory results in reducing manual labor. The amalgamate "Sigma"; the Kaunas Experimental Plant of Automation Means; the

Vilnius Fiftieth-Year of the USSR Fuel Apparatus Plant; the Alytus Machine Plant, and others have performed commendably during this five-year plan.

The problem of reducing manual labor is important not only economically but also socially. We know that there are so called non-prestige occupations, which youth choose very reluctantly. Here again are mainly the occupations requiring much manual labor. Without a timely mechanization of these jobs, a serious problem may arise in the future: who will take these jobs?

A very important reserve while conserving work force in industry is the most efficient use of the available work force. No great research is needed wishing to prove that the number of workers could be greatly reduced in enterprises and frequently in institutions, without much loss to the activities. This is clearly demonstrated by the experience of the Sciokinas Group of Chemical Enterprises, adapted by various branches of industrial and non-industrial sphere. Unfortunately, this progressive experience is being instilled too slowly in the republic's industry: only 47 industrial collectives are employing this method.

New possibilities for expanding production output by not increasing but even by reducing the number of workers are provided by the previously mentioned decision of July 12, 1979 of the Central Committee of the CPSU and the Council of Ministers of the USSR, which permits to greatly raise the wages of the workers when the same volume of work is performed by fewer workers. Wishing to take advantage of these possibilities, we should first of all organize the work as best as possible, reduce employee turnover, loss of work time, and other negative occurrences, which hinder a more rapid growth of labor productivity.

Although employee turnover in industry has decreased, it still is quite big. It has been proven that a worker, getting ready to leave a job and also for some time on the new job, performs unproductively and that, naturally, affects the production indices. The direct losses of work time are still quite great. As a visual example, it would be the same as if a plant larger than the Klaipeda "Syrius" Dry Element Plant stopped working for a whole year. These work time losses cause a particular concern, since almost one-third of them are caused by loafing. The heads of enterprises and their sub-units, therefore, will have to strive to eliminate these deficiencies. This is also demanded by the decision of the Central Committee of the CPSU, the Council of Ministers of the USSR, and the VPSCT [expansion unknown]: "Concerning further strengthening of work discipline and reduction of staff turnover in the national economy".

As we can see, the demographic facts raise many actual problems for the economy.

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